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20 April 1984

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DIPLOMATIC MISSION IN CHILE AIDS MIR GUERRILLAS

Paris LE FIGARO MAGAZINE in French 24 Mar 84 pp 114-116

[Article by Gerard Olsson: "Yes, France Aids Terrorism in America"]

[Text] The documents we are publishing constitute flagrant proof of the logistical aid and political and moral support that certain French diplomatic officials, inspired by the former comrade of Che Guevara, Regis Debray, now a close adviser to the Elysee and a personal friend of the president, are giving to Castroite guerrillas. The documents in question are telex messages sent by our ambassador to Chile asking for political visas for members of the Chilean MIR [Movement of the Revolutionary Left], which is closely linked to international terrorism.

The French diplomatic mission in Santiago, Chile, definitely has work to do. Since the left came to power, two *pasionarias* of the revolution, visibly Castro supporters, have been installed in the French Embassy with the inevitable blessing of Regis Debray: Yvonne Legrand and Claire Duhamel. Going beyond the prerogatives of Ambassador Leon Bouvier, they actively maintain contacts with the Chilean far left, mainly supplying political refugee visas to the most radical members of the Chilean opposition when the police are hot on their trail and when it is preferable that they leave the country. Three or four French visas are ordinarily granted a month by our ambassador to the "top crust" of the Chilean Castroite revolution. The political organization most visible in the French Embassy in Santiago is the MIR (*Movimiento de la Izquierda Revolucionaria*), banned by the regime.

Are these members of the MIR good democrats? Certainly not. The movement would instead seem to advocate the establishment of a red dictatorship in Santiago. The MIR has existed since 1965 and already at the end of the 1960's, had to go underground under the pluralistic regime of Christian Democrat Eduardo Frei. In fact, these champions of the "revolution within a revolution" had already specialized in actions discreetly described as "money expropriations," read "bank holdups." Under the Allende government, the MIR resurfaced and naturally represented the spearhead of the revolutionary fighting and the radical wing of the Popular Unity. The specialty of the MIR at the time was the establishment of camps around Santiago. These forward bases of the revolution were named "Che Guevara," "New Havana" or, more

poetically, "Pablo Neruda." There could be no question here of police penetration or of "bourgeois" justice making a sweep. Thwarting the law on the control of weapons, the MIR equipped these camps with powerful war materiel shipped directly from Cuba. Furthermore under the very nose of the army and official police, MIR members made up the Pretorian guard of President Allende. Following the tragic end to the Allende regime, the MIR waged a few courageous fights against the junta before going into exile. One next saw its leaders with their favorite allies, in Cuba or certain Eastern countries. As proof of trust, training in Cuba in revolutionary warfare is given at the Punta Cero Camp, reserved for the highest-ranking members of international terrorism. Toward the end of 1978-1979, a return operation was staged and the militant actions once again included holdups of banks, taxi or bus drivers to help with "finances" and more "political" assassinations of *carabineros*, even officers or judges, without counting a few police informers. Nor did they exclude a few attacks on French interests, such as the burning of the Renault plant in the Santiago suburbs in November 1980. The cost: nearly 500 million old francs and a thousand vehicles destroyed.

Unfortunately for our "revolutionary" diplomats, the Chilean democratic opposition vigorously condemns the actions of the MIR, as Christian Democratic leader Gabriel Valdes states in his 15 January speech: "With the same force, we condemn the cowardly, anonymous murder of police officers. Antigovernment terrorism consolidates government terrorism in a vicious cycle that we indignantly reject."

It is within this context that France's aid to MIR extremists through its diplomatic mission in Santiago is situated.

The aid is not simply limited to granting status as political refugees and asylum in our country. Sometimes there is veritable logistical support, as in the hiding of MIR members sought by the police in a French retirement home in Santiago. Or they are quite simply helped out of the country when police nets are closing in. That is what French Consul Yvonne Legrand did on 2 April 1983. Carrying her French diplomatic passport No 20337, she took high-ranking MIR leader Manuel Leonardo Rios Aracena to the southern border of the country, near Argentina, using the fake identity of Jose Ardan Cortes Pasten. Diplomatic immunity naturally eased his exit from the territory. And is that Rios Aracena a peaceful democrat? Certainly not. He has a few bank holdups on his record, but also the attempted assassination of the Supreme Court judge. The mission of our courageous diplomats may also include visits to political prisons, as in the winter of 1983, when several French asylum visas were requested for prisoners Jorge Barriga Uribe (sentenced to 19 years for theft with intent to commit bodily harm) and Hermenegildo Gallardo Cordero (12 years for the same reason). It is sometimes also a matter of encouraging political prisoners to learn French, as in the case of Fernando Reveco Soto, convicted of various murders, taxi or bank holdups. This brilliant internationalist member of the MIR took courses other than French (supplied on tape via the diplomatic briefcase): courses in revolutionary warfare in Cuba at precisely the famous Punta Cero Camp from December 1978 to August 1979. If he learns French, upon leaving prison, he may perhaps be able to come to France and give us the benefit of his knowledge!

Petitioners

There is no doubt that the action of the French mission in Santiago has not gone unnoticed by the Chileans who, last spring, approached French Ambassador Leon Bouvier to obtain the departure of Yvonne Legrand. However, they had underestimated the talents of Chilean leftist petitioners. A mysterious social democratic movement wrote directly to the president of the French Republic praising the merits and loyal services of Madame Consul, who since that time has apparently remained at her post in Santiago. Is this a demonstration of the political determination of France to support the Chilean extremists? Or is it bad information? It is assuredly political determination inasmuch as the president of the republic did not hesitate to assure MIR leader Pascal Andres Allende of his solidarity when the latter visited Paris in June 1982. It should be pointed out that Pascal Allende is the nephew of the late President Allende.

At Parisian dinner parties, our socialists, who specialize in international relations and whose sympathies for Latin American revolutionaries are well-known, certify that these "generous guerrilla fighters" have no connections with international terrorism, but to tell the truth, nothing could be less certain. Already in 1975, the famous "Curiel" network included the Chilean MIR. According to the weekly LE POINT, the Curiel network, named after its leader, an Egyptian communist, was to serve as liaison between Moscow and some 20 communist revolutionary organizations in the Third World. According to the British press, THE TIMES in particular, Paris had as early as 1977 become the European headquarters of the South American organization *Junta de Coordinacion Revolucionaria*, which reportedly provided coordination between different terrorist groups and the establishment of new terrorist units in other Western countries. It should also be recalled that in 1978, the Directorate of Territorial Surveillance (DST) was closely watching Chilean refugee groups in Lyon. Nor has anyone forgotten that Carlos, of sinister renown, is of South American origin and also linked with Moscow, as are the Chilean MIR guerrillas who enjoy all the benefits of asylum in our land.

Telex Messages

Santiago, 12 January 1983

Urgent
Coded
Distribution Service
AD Diplomacy 30

Subject: Political asylum

I respectfully request that the department grant me emergency authorization to issue an extended visa to Alejandro Angel Astorga Guajardo, born on 15 January 1951 in Santiago, Chile.

The party in question, a member of the MIR, is actively sought by the Political Police. (YLG) 121700(1)

Bouvier

Santiago, 2 March 1983

Urgent
Coded
Distribution Services
AD Diplomacy 146

Subject: Request for political refugee status.

I refer you to my communication No 131.

I respectfully request that the department grant me emergency authorization to issue a visa to Manuel Leonardo Rios Aracena, born on 7 January 1952 in Santiago, Chile.

The party in question, an important member of the MIR, is sought with increasing urgency by the Political Police. His life is truly in danger.
(YLG) 021700(1)

Bouvier

Santiago 199, 31 March 1983

Routine
Coded
Distribution Services
AD FSLT Buenos Aires 07, CQ Diplomacy 199
TXT

Subject: Extended visa for Manuel Leonardo Rios Aracena, political refugee

Primo: I am retransmitting Communication No 13835 of 30 March from the department.

Beginning of quote: "Subject: Manuel Leonardo Rios Aracena and Mrs Gabriela Hagaly Hermosilla Rosques. I refer you to Nos TD 131, 146, 156 and 186. You may issue a visa to the parties in question and to their daughter. Signed: Angles." End of quote.

Secundo: Manuel Rios Aracena will travel to Buenos Aires under the following identify: Jose Adan Cortes Pasten, born 5 February 1956. (YLG) 311300(2)./.

Bouvier

11,464
CSO: 3519/278

OFFICIALS TAKE STEPS TO PROTECT STORTING AS CONCERN GROWS

Storting 'Anti-Terrorism Chief' Appointed

Oslo AFTENPOSTEN in Norwegian 2 Mar 84 p 5

[Article by Einar Solvoll: "Twenty-Eight-Year-Old 'Anti-Terrorism Chief' in Storting"]

[Text] The Storting has hired a private security chief. In competition with 63 others, both from the military and the police, a 28-year-old police chief constable from the "Anti-Terrorism Group" was chosen, who for one thing took part in protecting the life of India's Prime Minister Indira Ghandi and then German Federal Republic Chancellor Helmut Schmidt.

Jon Birger Berntsen is the name of the man who ordinarily is part of the Oslo police's emergency force. In all likelihood he will step into his new job in the Storting on 1 April and then will take part in the development of a private security force of 17 to 18 people who from the fall on will be ready to protect the Storting building and elected officials against everything from terrorism to demonstrations.

"My first job will be to familiarize myself with what security measures exist in the building today and what is to be done," Jon Birger Berntsen says, who previously has had nothing to do either with politics or politicians--except protecting the lives of several government leaders when they were on official visits to Norway.

He is from Fetsund in Akershus and began his career at the Infantry Non-Commissioned Officers' Academy at 17 years of age and attended the Police School five years later. In the years between he did service in His Majesty the King's Bodyguard as section leader and began at the Oslo police headquarters in 1976, where he has been both in the patrolmen's division, traffic division and the last six years on the emergency force, which is popularly called the Anti-Terrorism Group. To an extensive degree he has been used as an instructor both at the Police School, Oslo police headquarters and the Bank Security Commission.

Storting Security Measures Reported

Oslo AFTENPOSTEN in Norwegian 5 Mar 84 p 3

[Article by Einar Solvoll: "Three Million Kroner Contract Landed: Storting to Be Safeguarded Further"]

[Text] In January 1985 altered security routines will be introduced in the Storting. A number of measures have already been carried out, but the other day a contract was signed with Securitas A/S for an order for additional security equipment to the tune of a good 2.7 million kroner, including, among other things, TV surveillance equipment for all entrances, admission card facilities for the building, door surveillance devices, alarm systems, etc.

The main objective of the new measures is to prevent unauthorized people from getting into the building, including demonstrators and people who have the aim of performing break-ins, thefts and wanton destruction. Comprehensive instructions have been developed for what the future security staff is to do in the Storting. However, the basic security concept does not have the aim of establishing a system which will give maximum protection against professional terrorists, because the goal is to keep the Storting building as free as possible to visitors.

According to Storting Works Engineer Olav Bergem, the security installations which have now been ordered will make it possible to serve the public, representatives and employees better than has been the case hitherto.

The Public

A new door system is to be established at Løvebakken which is to divide in a better way public entrances and exits, so that those entering will have to directly pass a staff counter. The public will be admitted to the gallery at an attended checkroom and will be guided on from there. An elevator up to the public gallery is to be installed during the summer. Outerwear, handbags, etc., will be attended to in the lobby.

Those who have permanent jobs in the Storting's Prinsensgate wing will be able to enter when the lobby is not attended only by means of an automatic card reader at the door, which registers when the person in question enters and leaves and who it is.

Internal TV

The Akersgaten entrance to the Storting building will be used for groups which arrive for guided tours. This entrance will be reconstructed, among other things, with room for checkroom possibilities. By means of an internal TV system the security guards will be able to watch all entrances to the Storting and in this way be able to check that everything is going properly and that no unauthorized people get in. All doors will be equipped with an entrance telephone with a loudspeaker.

When individual areas have been locked up the guards will be automatically alerted if anyone who does not have the proper key or admission card key attempts to enter through locked doors. An finally, these days and in the future they will be in the process of replacing all windows at street level with unbreakable glass.

Terrorist Threat in Norway Assessed

Oslo AFTENPOSTEN in Norwegian 9 Mar 84 p 21

[Article by Peter Beck and Nina Bratt: "Terrorists Must Be Stopped"]

[Excerpts] Information, surveillance and good communications are the buzzwords for the active struggle against international terrorism. And the information flow must cross national boundaries! In our part of the world 17 countries are affiliated with a "secret" cooperation network in order to prevent terrorists from getting a free hand. The network is called "Kilowatt" and Norway is one of its members. Three hundred and forty-two international terrorism actions were carried out in 1983, and a total of 730 people perished. A total of 87 countries were directly affected by the phenomenon. Compared with the year before, the world experienced a decline in the number of actions, but on the other hand international terrorist acts claimed over three times as many human lives.

Norway: Dataless Struggle, Small Resources

Information regarding possible terrorists is /not/ [in italics] stored in computers in Norway. The reason is quite simply that security police /do not have/ [in italics] any computers available. In a situation which stipulates that information be procured and sorted very quickly, security personnel in our country are limited to telephones, Telex, and loose sheets of paper between looseleaf binders.

But although the resources are small, our security police are working extremely professionally in the struggle against international terrorism. Both as far as procedures and tactics are concerned, the service, to judge from everything, is completely on a level with equivalent organizations in other countries "which it is natural to be compared with." The personnel are proficient and trained. But there are not enough of them. And the facilities are sufficiently reliable and effective. As long as Norway remains like a sunny island in a rough terrorist sea.

None of the security and intelligence organizations AFTENPOSTEN has been in contact with believes the situation will last. Although Norway--neither politically nor geographically--singles itself out as a terrorist's "dreamland" there is no reason to think that a new wave of terrorism will fade away before it reaches our borders. And the alarm can be sounded before word of it is known!

Ustasha, the Armenians and various Palestinian terrorist groups are those who are especially feared here in Norway. Because of joint oil installations with

the British, it is also not ruled out that the militant sector of the Irish Republican Army, the PIRA, and the INLA splinter group can strike against Norwegian targets. The Japanese Red Army has a number of terrorists at large over the entire world. And the fanatical Iranian suicide groups are not just to joke about.

In order for foreign terrorists to be able to strike on Norwegian soil, supporting players in the country are required. It is in the nature of the matter that "imported" terrorists will most easily find possible collaborators in ethnic groups which have a certain association with the cause the terrorists are fighting for. Foreign citizens and immigrants can therefore constitute important groups to chart in an anti-terrorism context. However, because of lacking resources the security police must rely on spot checks and "contacts" in the "interesting" social groups if they desire to maintain some surveillance of important individuals. In addition there is the obtaining of data from open generally accessible sources.

Both West German, Arab and Japanese terrorists have several times resided in Norway--without undertaking anything illegal. Since the end of the 1970's the security police have received information over the "Kilowatt Network" regarding who is on the way "in." As long as there are not distinct warrants from countries Norway has an agreement with, the police are content to chart what the suspected terrorists do. And when they leave the country it is *comme il faut* to inform colleagues abroad about where they are heading.

The general security of public buildings and institutions is strikingly poor in Norway. True, the Storting these days is being made into a safer place to work. But still almost anyone can enter the government office building. And the king's palace is hardly impregnable if anyone should wish to try it.

The "Lillehammer Murder" and seizing of the Soviet passenger plane between Fornebu and Arlanda in 1979 (an Indian group by the name of Ananda Marga was behind it) hardly constitute a completely "terrorism burdened" past to look back at. But the alarm in 1979 and general developments show that new terrorist actions are not at all improbable.

When the Alarm Was Sounded in Oslo

Carlos, members of the Baader-Meinhof gang and the Italian Red Brigades were behind the plans for a terrorist action in Oslo in 1979, foreign intelligence sources tell AFTENPOSTEN. It was known previously that people from the criminal set in Norway were to carry out the "groundwork," but it has not been made clear who the */brains/* [in italics] behind the planned terrorist plot was.

The Egyptian Embassy was to be blown into the sky, while at the same time there were plans for actions against Israeli lives. The background for the conspiracy can be the disputed awarding of the Nobel Peace Prize to Menahem Begin and Anwar al Sadat in 1978.

It is well known that Carlos has repeatedly coordinated terrorist plots with Libya's Colonel Gaddafi as an economic "sponsor." Exactly /why/ [in italics] Carlos chose to use the West German and Italian terrorists in this connection is unknown. But it is certain that members of the Baader-Meinhof group have often used Norway as a "vacation spot" and that they probably used their stay here for, among other things, "reconnaissance." Consequently, the group would be of interest in planning of an action on Norwegian soil. The Red Brigades had a very well developed contact network in 1979.

The Norwegian security police received reports of an imminent terrorist action from sources abroad. After intense surveillance of individuals among the set in question, the police arrested a Norwegian and two Arab citizens. The single alien, a North African, was expelled from Norway.

According to the plan, the Norwegian was to be paid a million kroner in whatever currency he wanted as soon as the job had been done. In addition, he was offered a falsified passport and a plane ticket to South America.

According to what AFTENPOSTEN has learned, this is the only time the security police have really been put to the test in the struggle against international terrorism. Although the action was averted, it can be imagined that bigger resources would have made it possible for the Norwegian security police to uncover the brains behind the terrorist plan.

8985

CSO: 3639/81

RANDOM VIOLENCE CHIPS SUPPORT FROM ARMENIAN TERRORISM

Copenhagen INFORMATION in Danish 6 Mar 84 p 3

[Article by Pierre Terzian, JEUNE AFRIQUE correspondent: "Terrorist Organizations Foremost in Fight for a Free Armenia"]

[Text] After a wave of sympathy from exiled Armenians, the most extreme group lost all influence again by beginning to attack Frenchmen at random.

The two most important Armenian terrorist organizations, the Secret Armenian Army for the Liberation of Armenia (Armée secrete armenienne pour la libération de l'Arménie--Asala) and the Avengers of Armenian Genocide (les Justiciers du génocide arménien--JGA), turned up in 1975. The first communiqué from Asala is dated 20 January and JGA's, 23 October. Otherwise the two movements do not have much in common, neither with respect to methods of taking action nor political line.

Asala is the best known and was also until a short time ago shrouded in the most mystery. Its spokesmen appeared only with hoods in front of their faces at carefully arranged press conferences in Lebanon, which at that time was the group's headquarters, and its commandos disappeared without leaving a trace as soon as their actions had been completed. The veil began to be lifted from this mystery first in October 1980, i.e., almost six years after the group turned up. At this time two incidents occurred almost simultaneously.

On 3 October 1980 two members of Asala, Alec Yénikomchian and Suzy Mahsérédjian, were wounded while they were in the process of making a bomb at a hotel in Geneva. For the first time two of the organization's activists showed themselves with uncovered faces. At the same time "Number 0" of Asala's organ ARMENIA was published, which also (especially in Nos 1 and 2) defines the group's political platform: liberation of Armenian territory occupied by Turkey, and reunification of Armenian territory into a democratic and socialist state.

However, beyond this the group's political line is not very uniform. For example, while some of the articles in ARMENIA have a semi-orthodox Marxist content, others on the contrary proclaim that there is no such thing as a

class struggle as long as Armenians are living in exile and that only the national struggle counts.

The events in October 1980 provided an occasion for a veritable catharsis for Armenians in exile. The congenial appearing young people who were wounded and arrested in Geneva reflected an image which Armenians would like to recognize themselves in. The organization which these two were members of offered an attraction to them--an attraction which was so much the stronger in that they were tired of the inactivity of the traditional political parties.

In addition, Asala's political program was sufficiently vague that many could gather around it. The wave which rose and was not to stop again was so strong that even the Armenian newspapers, which stubbornly maintained total silence regarding the movement, were forced to pay attention to it after pressure from their readers.

Consulate Occupied

This wave reached its high point on 24 September 1981. On this day a commando unit from Asala stormed the Turkish Consulate in Paris and took 15 hostages. The four men who threatened to blast the building into the sky presented demands, for one thing, for the freeing of Armenian, Turkish and Kurdish political prisoners in Turkey (including two Armenian priests), cultural freedom and freedom of expression for the Armenian community in Istanbul, and the restoration of Armenian monuments in Turkey which are threatened with dilapidation. The effect was strengthened by the fact that the entire thing took place before television cameras and radio microphones with direct broadcasts from the event.

On the night between 24 and 25 September 1981 on Hausmann Boulevard in the middle of Paris a drama was played out whose meaning was understood only by the Armenian observers. One of the hostage takers broadcasted an appeal to his countrymen in Paris: "Support us." In the minutes which followed scores of Armenians left their homes and gathered near the consulate. There they found themselves side by side with other demonstrators--Turks who were embittered over the taking of hostages. The conflict between the Armenians and Turks was played out anew there on the street, displaced in time and space.

But now the situation was reversed: For the first time since the genocide it was the Turks who were hostages and the Armenians were the strong ones. Six centuries under the Turkish yoke had accustomed the Armenians to bow their heads each time the storm broke loose. Now it was suddenly they who rose (lifted their heads again, as Nasser said), where it was least expected.

The symbolism of this picture exceeded all bounds when thousands of Armenians a few months later marched past the Turkish Consulate near the Arch of Triumph with Asala's red flag in their hands. The organization had reached its high point. Its popularity was immense among Armenian exiles. Everywhere political movements were formed which openly declared their sympathy with it. The most well known was MNA (Mouvement nationale arménien--the Armenian National Movement) in France. It was believed at that time that

nothing could stop the progressive growth of an enormous revolutionary Armenian movement everywhere Armenians are living in exile, as a replacement for the old traditional parties which were in decline.

Terror in Paris

Asala's fall was just as brutal as the organization's success and it was the fault of its own leaders. Is this to be ascribed to their political immaturity or, as some of the press asserts, to the non-Armenian alliances which they had entered into? This is not to be known. In any case the attacks on the Turkish diplomatic missions from the fall of 1981 were replaced by attacks on French targets. First, in November 1981, a member of Asala, Monte Melkonian, alias Dimitriu Giorgiu, was arrested at Orly Airport. Soon an "Orly Organization" threw itself into a number of diabolical attacks against French interests all over the world. Now they were not content with demanding the freeing of imprisoned activists.

These actions were received quite poorly by the Armenian community in France; but because they took place in the wake of the occupation of the Turkish Consulate, and because they did not claim victims, they did not undermine Asala's political basis, although it was obvious that the Orly group was a part of this organization.

The result was different when the group after the arrest of another militant activist in the summer of 1982 began to plant bombs in heavily crowded public places and injured scores of random passers-by in Paris.

All Armenian political organizations with MNA at the forefront energetically condemned these attacks and demanded that they stop. But Asala turned deaf ears to their appeals and let the Orly group be. It was first after a young Armenian's death in an accident in connection with the manufacture of explosives in a Parisian suburb that Asala decided to order the Orly group to cease criminal actions. But then it was already too late.

The capital of sympathy which the organization had had seriously dwindled. What was more, the political movements which supported Asala but could not accept the insane actions called upon it under the threat of a split to return to the political line which had originally been sketched in ARMENIA. In vain.

The break, which had now become inevitable, occurred a few months later. At the beginning of 1983 the movements in North America, Great Britain and France which up to then had supported Asala proclaimed that they could not tolerate the irresponsible path which this organization was now pursuing. They broke off every connection with it and notified of the founding of a Democratic Front Against Terrorism.

Actually it appears that a discussion--perhaps right after this time--raged within Asala. However, the organization's leadership blindly followed the same course. The high point was reached when Asala on 15 July 1983 after the pattern of the attack in August at Ankara's airport arranged a veritable

bloodbath at Orly. This time it was too much. Tired of this murderous insanity, which reminded them too much of the Turkish authorities' projects in 1915-16, Armenians everywhere expressed their indignation.

A bomb at Orly Airport near Paris on 15 July 1983 cost five people their lives and injured nearly 60. This act of terrorism meant that the group behind it, the Secret Armenian Army for the Liberation of Armenia, lost the last remnants of its earlier popularity among Armenian exiles. But the armed struggle for a free Armenia, which today is divided between Turkey and the Soviet Union, has been continued by other groups.

On 16 August 1983 a press communiqué reported that a majority of Asala's members had detached themselves from the organization and formed the Asala Revolutionary Movement, which condemned the "gangsterism" which had come into being by a form of action whose "only purpose is to kill innocent people." At the head of this branch was Monte Melkonian, whose arrest in France had provided the occasion for the establishment of the Orly group in November 1981.

Armed Wing

The group called the Avengers of Armenian Genocide (Justiciers du genocide armenien--JGA) is far less known by the general public than Asala. And this is without doubt on purpose, for this group is not an independent organization, but has functioned rather as the "armed wing" of the Dachnag party, one of the old Armenian political formations. The decisive thing, then, is the political line of this party, which is entirely oriented toward its basic purpose: the establishment of a "reunited, free and independent Armenia." The first concept, reunification, is a problem, for eight tenths of Armenia's territory is today occupied by Turkey (240,000 square kilometers), one tenth constitutes the Armenian Soviet Republic (30,000 square kilometers), and the last tenth is divided between the Gharapag region and the Nakhichevan ASSR (also in the Soviet Union). The second--freedom--refers to a form of government which is to be of a parliamentary social democratic type. Finally, this Armenia is to be independent, i.e., separated from the Soviet Union.

During the course of its almost 100-year history, however, Dachnag has proven its "flexibility" and learned to restrain some of its demands in favor of others when circumstances required this. The party has enjoined JGA to carry out its actions within a certain framework: a too high "ceiling" would put the party in an uncomfortable situation in Western countries, where it would like to preserve and strengthen its basis, and a "floor" too low would expose a flank to criticism from Asala for being "soft."

It is the same anxiety which makes JGA attack only Turkish targets, mainly diplomatic missions, and at any price avoid opening other fronts, even when activists from the group are arrested--sometimes in large numbers, as happened in the USA.

This strategy, which was difficult to stick to the time a strong and apparently irresistible wave appeared to advance Asala among Armenians in exile, has paid off in the long run, especially thanks to Asala's own collapse.

In France, where Asala has deeply and permanently alienated public opinion, JGA, for example, for a long time has refrained from any terrorist action. The result is that the Dachnag party is no longer losing ground, although on the other hand it has also not made gains. On the contrary, it seems to have chosen to operate on the periphery of French territory, where the most important part of the Armenian community in Europe resides.

Collective Suicide

It is within this framework that a new terrorist organization which calls itself the Armenian Revolutionary Army presumably places itself. On 27 July 1983 five young people who claimed to belong to this organization committed collective suicide after having occupied the Turkish Embassy in Lisbon. This was the first kamikaze operation for the Armenian cause. As with the JGA's operations, Dachnag's press used much column space on the action and later confirmed that the Armenian Revolutionary Army, too, is to be placed within the party's sphere.

The action in Lisbon is not just the last in a number of armed actions; it differed from all others by the spectacular sacrifice which the commando group made. In this manner it contributed to shedding light on the vast resolve of Armenian youth and on the desperation which characterizes it in a world which perseveres in its indifference.

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SPITAELS ON AUSTERITY, OPPOSITION STRATEGY

Brussels LE SOIR in French 22 Mar 84 p 2

[Interview with Guy Spitaels, by Janine Claeys, Guy Duplat, Catherine Ferrant, Yvon Toussaint, and J. Van Hoorebeke; date and place not given]

[Text] The trade union opposition is mobilizing, but the political opposition seems quite powerless. What can it do? Can it practically force the government to resign? That is the first question we asked Guy Spitaels.

[Answer] You cannot discover the moon all over again. It is a truism to say that governments are essentially undone by internal crises. But having said that much, we can influence the government. Our plan to get construction going again was followed by the PSC [Social Christian Party] and the PRL [Party of Liberty and Reform]. And I was a member of Cabinets long enough to know that the opposition is taken into account there. Bismarck was the first to set up social security against his will because of the socialist opposition. And in a climate as tense as the one we now have, when the ministers are taken to task, sometimes by their own troops, the opposition can play a role.

[Question] But practically speaking, what response do you propose?

[Answer] I have asked all French-speaking progressive political forces and trade union organizations to a meeting on Friday.

[Question] It is a repetition of the progressive front already held in the Coronmeuse wake?

[Answer] No. Those meetings were organized at the instigation of the trade unions. Today it is the Socialist Party that is doing the inviting.

[Question] The Socialist Party has spoken of waging opposition in the streets.

[Answer] The Flemish Socialist Party has not taken over that idea and in the final analysis, it is organizing a rally at Heysel on 7 April. For our part, we are thinking of other possibilities. As in June, all our elected officials, all our members will go to the enterprises, to specific offices to say very

clearly that we do not accept the Martens Plan. I said previously that we could not give back what the government had taken, but each thing in its own time. Given the expansion of the austerity measures, we now state clearly that it is no longer possible.

Strikes, Impasse

[Question] And the strikes?

[Answer] I would first of all like to say that this work with the people seems to me to be as important as a 1-hour work stoppage a day. I would especially like to emphasize that the Socialist Party will never issue the call to strike. The advisers would not then be the ones to pay. But if there is a strike called by the trade unions, then I would like to pose one preliminary question: Who is staging it? Who wants it? I do not want to be dragged into an impasse.

But to step up the leftist pressure on the political scene, readers of LE SOIR must know that strikes are not the only means. In 90 days, there is an important election. In addition, after our action in the enterprises, we shall have 1 May.

[Question] Martens told us in substance that you were happy that this government was doing the dirty work instead of you.

[Answer] That phrase moves me. It gives a gamelike aspect to our attitude. that it does not have. Our party bureau is becoming very hard. I am moved when I see the confidence people have in us. To believe then that we could be involved in such political games makes me sad.

[Question] How do you view Martens?

[Answer] I see Martens as a man much better equipped for Community problems than economic problems and I think he can defend very different policies very well. I remember how, in December 1980, we took the wage limitation measures that Martens then undid over a weekend with the CSC [Confederation of Christian Trade Unions] and the FEB [Federation of Belgian Enterprises]. At the time, he wanted to do less than we did. Now he wants more.

Socialist Heritage

[Question] You speak of a direct attack of this government, but Gol replies that on the contrary, this government is saving social security by cleaning it up.

[Answer] You are speaking of Mr Gol. I would like to take advantage of the opportunity to emphasize the argument he constantly uses of the socialist heritage. I would remind you that during the years of crisis, it was the Social Christians and not we who were continually in power and that the socialists and liberals shared the years of power equally. The slippage of wages in 1975 came about with the liberals and the end of partial unemployment control with the Christians.

As for what this government has done, I shall be content to give two figures that I would like to pass on to your readers: Under this government, the foreign debt has gone from 380 to 850 billion and the overall debt, in percent of the national wealth, from 56 to 87 percent.

[Question] But should we not nevertheless make social security cuts?

[Answer] I would like to be clear on three points. For us, there can be no question of touching the index because there is no more problem of competition between enterprises. We must not grant any wage increase in real terms, but redistribute hours of work and finally, we need a selective recovery.

[Question] And social security?

[Answer] You are rightly pulling me toward a problem about which we have not been explicit. I am convinced that we must take action on public finances in all areas, including the public debt for which this government proposes nothing and for which we do have proposals.

[Question] Are they radical?

[Answer] No, they are voluntary. Forcing people to subscribe to different rates is not radical; it is voluntary.

Contributions

[Question] Let us get back to social security.

[Answer] It is not a sacred cow for the PS. I can cite examples of what we would do. With respect to unemployment, I do not believe that the lack of control of the 60,000 partial unemployed is a good thing. Regarding pensions, measures have been taken to limit the pensions of the public sector, but few measures have been taken for high pensions in the private sector. Why not provide for contributions on payments for additional pensions? Finally, I am willing to speak about measures concerning insurance for illness, but I would criticize the government for acting only upon demand, increasing, for example, the portion of the fee paid by the insured without acting on supply. Agreements must be reviewed. Can we still accept the hiring of doctors part-time? What is happening with the approval of the big laboratories that remain "one-armed bandits." What has happened to the profiles on the paramedical professions? The slogan that they always blame the same parties is, I regret to say, true.

[Question] What is the difference between the selective revival of Spitaels and the selective support of Maystadt?

[Answer] Modesty on the Christian Democratic side, in order not to manifest a similarity of views, but one must make a distinction between the Maystadt document, which was in fact a Maldague document, named after the director of the Planning Office and what the minister then did in the governmental agreement.

Self-Conviction

[Question] Martens believes in a 10-percent increase in investments?

[Answer] All governments have the task of convincing themselves, but I am skeptical.

[Question] How can one force the investments to be made?

[Answer] By techniques that associate deductions with contractual procedures.

[Question] What else?

[Answer] It is commonly said that between a socialist government and a government of the right, it is six of one and a half dozen of the other, but I see that in Sweden, there is an investment fund controlled by social partners. I am willing to accept all measures that will not simply consist of believing that you can make the horse drink. You have to encourage investments, but not blindly. There must be parity control.

Education and Waste

[Question] Is there not a Belgian structural malady that costs us dearly, such as the duplication of systems of education?

[Answer] Economists such as Paul Lowenthal and Guy Quad have said that this plan does not touch what is the most expensive. In the field, one can see what the multiplicity of hospitals costs. Pluralism is a source of waste. We are a country with 17 rectors! In the name of pseudofreedom, one can easily preserve the Flemish-Walloon, religious and philosophical pluralisms, but in our budgetary context, one can see the consequences: Research has nearly disappeared from the universities. One can also try to rationalize things, in education, for example, which will necessarily be a community matter. Mitterrand in France and Gonzalez in Spain have drawn up compromises with the Catholics. We cannot maintain all these systems.

[Question] But will making education a community matter cost the French-speaking people greatly?

[Answer] We shall perhaps lose from 10 to 11 billion, which causes some to say that when the boat springs a little leak, the socialists jump overboard. This means that they fail to see that this "communitization" is written in the stars. It will come about. We must then try to rationalize all our university institutions.

Two Maystadts and Two Gols

[Question] What is your best partner for this cleanup?

[Answer] The Catholic leaders of the PSC believe that we want a monopoly. That is their latest election argument. But in the field, things are already moving. The PRL machine is perhaps closer to our ideas.

[Question] And which is your best economic partner?

[Answer] With the Maysteadt of his plan of selective support, one can talk, but not with the Maystadt of Val-Duchesse. With the Gol who believes that the Walloon social unit has been hurt enough, one can talk, but not with the Gol of Val-Duchesse.

[Question] There remains then the community "weakness" of this government. Will this be its "soft underbelly" allowing you to attack?

[Answer] I make a radical distinction between myself and Gol and Maystadt, both of whom say that we must devote ourselves to economic questions and that the community situation cannot be upset by the Flemish. I say that all the time that goes by without our becoming masters of our policy is time wasted. We believe that the community remains totally present: the jeeps, Zeebrugge, and so on. In the next election, you will see how present the community is and what the Flemish want. We shall not be involved in a government unless that issue is present.

CVP

[Question] And your ties with the SP?

[Answer] Each one plays a role in his community. Consequently, we are closer than before. I have given up having the Flemish obey anything other than a ratio of force. I do not want to play the preacher vis-a-vis the SP and explain solidarity to them.

[Question] You do not believe in solidarity?

[Answer] I sometimes tell friends that they are "cabaret Marxists," explaining everything through economics. Things are not like that. Look how Belgium separated from the Netherlands in 1830. Look how Norway and Hungary came about. Look at Ireland and the Basque country. Ethnic questions are serious.

[Question] Are you counting on the CVP [Social Christian Party] to drive through this coalition?

[Answer] No. I would remind you that we are voting in 90 days. No agreement will stand up before the facts. What will happen if these European elections should be a disaster for the majority? Everyone will be looking for a way out.

No, the CVP is not master of the game.

No, I am not counting on the decisions of the Council of State to get out!

The European elections will enable everyone to express himself on the government policy, even if not excited by the problems of the Brussels periphery. Too much is too much.

[Question] The European elections will therefore be a national test?

[Answer] That is clear and why would I say anything other than what the opposition in France is saying?

MODERATES IN GLISTRUP PARTY MAY BREAK FROM PROGRESSIVES

Copenhagen BERLINGSKE TIDENDE in Danish 11 Mar 84 p 2

[Article by Jens Olaf Jersild and Solveig Rodsgaard]

[Text] A new liaison committee within the Progressive Party could be the beginning of a new party. Moderate Progressive Party members are unhappy with the personality cult of Mogens Glistrup.

Yesterday 60 moderate members of the Progressive Party appointed a so-called liaison committee which its initiators have called a springboard to the formation of a new party. Establishment of the committee was decided at a meeting yesterday in Herning where a group of Progressive Party members had invited moderate party members from throughout the country.

Even before the meeting began there was strong feeling for splitting the Progressive Party, but none of the convenors of the meeting went so far as to propose directly the formation of a new party. That was described as an "extreme, emergency solution," but few would rule out that possibility if the party continued on its present course.

Instead, it was decided to establish the committee by a vote of 60 for, 8 against, and 8 abstaining. According to one of the convenors of the meeting, member of parliament Hans Damgaard, the meeting was called to "contact moderate members of the Progressive Party throughout the country and keep them together."

The idea is to unite the "undisciplined" members of the Progressive Party throughout the country and get them into high party positions and elected to municipal and county offices. It also became clear at the meeting that the moderates must give up the idea of calling an extraordinary national congress, since four county chairmen still oppose the proposal made by national chairman V. A. Jakobsen.

The main topic of speeches at the Herning meeting was opposition to the placement of Mogens Glistrup at the top of the list of candidates for the EC elections. The political line of V. A. Jakobsen was supported. The national chairman was conspicuously absent, however. Many of the moderate delegates also accused the party of being undemocratic, dictatorial, and tending to establish a personality

cult around Mogens Glistrup. Ib Persson, member of the Copenhagen City Council, was one of the sharpest critics. He also attacked a group of "disciplined" members from Viborg who appeared at the meeting to support Glistrup and oppose V. A. Jakobsen. During Persson's speech, a group of Glistrup supporters walked out, with a state of tumult as the result.

Glistrup And Dohrmann

Mogens Glistrup said that this recent development was "unfortunate at a time when unemployment, ruthless taxation, and a rising debt were exploding to new record levels and that the only party with a program capable of dealing with these problems was torturing itself with personality clashes."

"It is unfortunate that there are Progressive Party members who do not place a higher priority on solving the country's problems than on something as low as discussing personalities. But all right, each individual must do as he sees fit with his time. We do not believe in regimentation."

The chairman of the parliamentary group, Helge Dohrmann, called the Herning meeting insignificant.

"We cannot be satisfied with all these disturbances within the Progressive Party. Unfortunately, by holding such a meeting these people are making matters worse. Our party would not have so many problems if people would simply respect the decisions made by the various party organizations and if they would refrain from pushing their way forward and claiming to have greater influence than they actually have by virtue of their elected positions. After all, there is basic agreement about our political policies."

Helge Dohrmann also said he did not foresee a split in the party, "since none of these people have any authority or influence whatsoever."

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PAPER COMMENTS ON REVOLT BY PROGRESSIVE PARTY MODERATES

Copenhagen INFORMATION in Danish 13 Mar 84 p 10

[Editorial: "Moderates' Uproar"]

[Text] Since Glistrup laid down his arms one black Saturday in October 1982 and allowed the government to destroy the cost-of-living increases and the transfer of income, the Progressive Party has been a rather willing partner of Schluter. It can be maintained, of course, that the opposite was true when, along with the Social Democrats, the Progressive Party defeated Schluter's budget last December. But Schluter could have gotten his way if he had wanted it. The Progressive Party simply was not given a chance to demonstrate its willingness to cooperate on that occasion. Instead, the party suffered an election defeat that brought the final obliteration of the party within sight. The party also finds itself in a situation in which the new composition of parliament made assistance from the Progressive Party's parliamentary group superfluous when the budget proposal finally was approved.

Hopelessness and inactivity seem to have gotten on the nerves of Progressive Party members. Without being subjected to any political pressure, they have begun an internal power struggle that is open for public scrutiny. Fractional meetings are being held as an open preparation for a major battle for power within the party.

A struggle between "undisciplined" and "disciplined" members has characterized the internal life of the party since Glistrup, with impressively consistent anarchistic behavior, prevented creation of the first Liberal-Conservative-Christian People's-Center Democratic coalition government in 1975.

A number of opportunistic Progressive Party politicians found Glistrup's policies to be hopeless and decided to seek cooperation with the nonsocialist parties. While Glistrup was repeatedly in the minority among his parliamentary group members, he enjoyed the solid support of the party organization and its autocratic chairman for a long time. One such supporter was V. A. Jacobsen when he was elected national chairman. But Jacobsen later formed a strong alliance that has kept Glistrup out in the cold for the past 2 years. This alliance included the traditionally "undisciplined" members and the ever-increasing number of members in the party organization and the parliamentary

group who could not accept Glistrup's anarchistic tyranny, especially now that Glistrup was being sent to jail, while they had to continue the difficult organizational work.

Interestingly, Jacobsen was backed by the most recent party congress and was reelected over Lene Glistrup. But Glistrup supporters and the youth organization made Jacobsen accept Glistrup as the party's top candidate in the EC elections.

But Glistrup has been weakened by his legal problems and imprisonment and by the party's election defeat. During his brief appearance during the campaign, however, without even using his former skill in demagoguery, he managed to characterize Schluter as being worse than Malene's murderer and he called the Rio Bravo agreement, the pride of his parliamentary group, a decisive contribution to the national catastrophe.

Jacobsen believed the time was right to rid the party of its founder, first of all by preventing his nomination to the EC elections.

But Jacobsen is not overly endowed with tact. He began his campaign against Glistrup at a time when the parliamentary group was still reeling from the election defeat and from the admission group chairman Dohrmann made election night: "We cannot survive without Glistrup."

Jacobsen continued his campaign, while Glistrup's old friends in the parliamentary group saw the party's founder hard hit by a family tragedy. Jacobsen was rebuked by Dohrmann and was offended. Then a group of Jacobsen's sympathizers gathered last weekend (without him) and decided to create a separate wing of the party. These were the opportunists, primarily from local and county governments, who believed the time was right to get rid of Glistrup.

The immediate result was to solidify a majority of the tiny parliamentary group behind the party's founder. Meanwhile, the group has been looking around for an opportunity to help the government. The Radicals have already determined, however, that the Progressive Party has returned to the oblivion from which it came. It could be too early, but Helveg finds it difficult to make concessions to the Progressive Party now that the government, by using its slim majority, has shown that concessions are unnecessary.

But whether the Progressive Party is taken into the fold or kept outside, the yoke of responsibility has already damaged the Progressive Party so much that it hardly can recover.

Just as Dohrmann realized in the moment of defeat, the party cannot survive without Glistrup. It could be, on the other hand, that the Liberal-Conservative-Radical alliance that created the Progressive Party, now that it has been re-established, might have room for a talented right-wing demagog. But it seems for the present that Glistrup has played out his part to the end and that he has no successor among the disorganized group now fighting for the remains of his party.

PRESS BUSY SPECULATING ON DECLINE, DISSENSION IN SDP RANKS

Copenhagen AKTUELT in Danish 13 Mar 84 p 14

[Commentary by Frede Ledet]

[Text] It is a pure pleasure. We had hardly made it through the parliamentary elections in January and read column after column about how useless the Social Democratic Party was, when the media suddenly became filled with commentaries on the prospects of a renaissance within the party.

Of course, the negative press is still dominant. All the quasi-Liberal newspapers and the generally Conservative STIFTSTIDENDE still speculated every day that Anker was on the way out.

BERLINGSKE TIDENDE ran obituaries for the Social Democratic Party 3 days in succession before it was shamed into taking up a different topic.

BORSEN contained anti-SDP articles as recently as yesterday. One dealt with "back-door socialism" through economic democracy and the other with allocations for economic democracy.

Never Done Before

At the same time, however, a more intelligent party debate is arising--with both opponents and proponents participating, although the latter are more predominant and are far from remaining silent.

All this looks like a useful beginning to the expanded Social Democratic executive committee meeting on Friday, which will look more like a school debate. We were about to say a "post mortem," but former Transport Minister J. K. Hansen said that was not the case.

JYDSKE TIDENDE allowed him to make a status report on the party in a lengthy interview. You could say that he smoothed over a few rough edges, but he still did not present a rosy picture.

"We believe we came out of the election more or less intact, but as Georg Poulsen said, it is absurd to go out and claim a victory. We have lost ground in two elections. According to past history, we should have been successful in the

last election. We were not, however, and we must now take a look at what we did wrong."

Difficult To Rule

Ritt Bjerregaard, former education and social affairs minister, wrote in MORGENPOSTEN about why it was so difficult to rule in a modern industrialized country. The article contained considerable fuel for the party debate.

Denmark and the other industrialized countries have made the greatest progress, she said.

"As a result, it is more difficult for us to define our general goals than it is for most countries. We have no peasantry to lead and no proletariat that must simply get by with what it has. We have no need for a guardian who makes decisions for others by invoking his own expertise."

Something Intolerable

At POLITIKEN headquarters there is a love-hate relationship with the Social Democrats, divided in such a way that EKSTRA BLADET is primarily responsible for the hate. But this has not prevented the paper from turning the party's present problems into stimulating reading material.

In a series of introspective articles, not only Ritt but also former Housing Minister Erling Olsen was asked for his comments.

Not even the crises are what they used to be, he said with a sigh:

"We must admit that everything good we can brag about having done had some unforeseen side effect that gradually turned into something intolerable."

He continued: "The remedy is an austere income policy for a long time to come, promotion of technological advances, a ceiling on public expenditures, and modernization of the public sector."

A Lump Of Glue

In the Saturday edition of EKSTRA BLADET author Jens Jorgen Thorsen threw three shovelfuls of dirt onto the party:

"Led by Denmark's answer to world history, Anker Napoleon Jorgensen is moving the party inexorably toward Waterloo. The Social Democrats have nothing to offer the Danish people. They have nothing on their party program: no dreams, no visions . . . All that remains is a big lump of glue."

Author Ole Hyltoft, chairman of the party's culture committee, disagreed, however. You might say he preferred a more well-rounded criticism, which would be more of a challenge.

Too Soft

We must begin to take the party's idea and soul seriously, according to Hyltoft:

"Schluter's cracker-barrel philosophy is not so bad in every respect, but the Social Democratic philosophy is better. This is because the Social Democrats want freedom and solidarity for everyone--because the Social Democrats want to give creative strength to everyone, not just to those who can afford it."

But . . . and here he comes to the crux of the matter:

"The Social Democratic leadership must get rid of the bosses, the bureaucracy, and centralism. The Social Democrats do not have a monopoly on these evils, but the Social Democrats have been too soft on them."

The table is set for Friday--for the event we are told will not be a post mortem.

9336

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SDP ELECTION PERFORMANCE WEAKENS JORGENSEN'S LEADERSHIP ROLE

Copenhagen BERLINGSKE TIDENDE in Danish 16 Mar 84 p 8

[Commentary by Solveig Rodsgaard]

[Text] How are the Social Democrats faring after their election defeat? Party and labor union leaders are meeting today for some self-evaluation. The debate continues within the party, which still finds it difficult to be in the opposition.

Social Democratic and labor union leaders are taking their own pulse and that of the Social Democratic Party today. How is the party faring after two election defeats, with the prospect of remaining in the opposition for a long time? What went wrong with the party, why has it gone wrong, and what will happen in the future?

It might well be that people outside the Social Democratic Party believe that the party is in a major crisis and that the word "self-evaluation" cannot be used too often. It may be concluded even now, however, that the summit meeting today will end with an official call for the party and the labor movement to march in step toward a brighter future.

One thing is certain. Party chairman Anker Jorgensen's position is unassailable, regardless of how many Social Democrats are unhappy with his leadership of the party. "I will leave when I leave," Anker Jorgensen said on TV the other day. He added, however, that he would remain as long as the party congress wanted him as chairman--and the party congress still wants him. The Social Democratic Party chairman resigns and is not asked to resign, as they say in the party.

About 40 leaders will participate in the self-evaluation meeting which will take place at Bymosegaard, the municipal workers' building near Helsingør. The leadership of the parliamentary group, the party's executive committee, and the LO (Federation of Trade Unions) executive committee will attend the meeting.

Two election defeats, with a combined loss of 12 seats, is certainly reason enough for a reevaluation. So is the fact that the Social Democrats still find it difficult to be in the opposition. They believe it is against the laws

of nature to have a government that is not run by the Social Democrats.

Of course, many Social Democrats believe that a self-examination can be useful. The party and the parliamentary group have also appointed various committees to find out what should be done and how to get more information to the membership, for example on party policies and action in parliament.

Rank-And-File Level

The prelude to the party's self-examination came in NY POLITIK several weeks ago. The editor of that paper, member of parliament Jimmy Stahr, said that the party's most important task was to stimulate a debate at the rank-and-file level.

"The debate must occur at the workplace and among ordinary members at the rank-and-file level. That is where we find uncertainty over the party's policies. For this reason, I do not believe that today's meeting will yield any important results. Of course, the leadership must debate these issues, but the most important aspect is what happens at the rank-and-file level within the party and the labor movement. The party leadership and the membership must inspire each other and all barriers between the two must be torn down."

Jimmy Stahr added that the self-examination would continue in the upcoming issues of NY POLITIK. The paper will also discuss the party's program between now and the party congress in September.

The debate in NY POLITIK has shown that the Social Democrats believe there are many reasons for the party's election setbacks during the past two elections. Party vice-chairman Knud Heinesen said that the party's most urgent task before the next election would be to eliminate the credibility gap perceived by former Social Democratic voters in the area of economic policy.

"We did not have enough time to solve this problem before the last elections. The unjustified boasting of the nonsocialists and their arrogant rejection of our policies during the campaign were too much for us to overcome."

Knud Heinesen referred to election analyses which indicated that the most important single reason why voters left the Social Democrats was the course of events surrounding the budget vote. He said, however, that the problem was deeper than that and that the vote itself simply confirmed the skepticism already present over the economic policies of the Social Democrats.

Budget

Others also point to the Social Democrats' position toward the budget. "I do not doubt for a minute that the Social Democratic vote against the budget shocked and angered many of the party's loyal voters. There may be many reasons to bring down a government, but the budget proposal is not one of them. It smacks of irresponsibility and vengefulness. We might as well face it," said executive committee member Johannes Mohl.

Many people have pointed out that it was the younger voters who abandoned the Social Democrats. AKTUEL is criticized daily for its coverage of the party's campaign.

Many Social Democratic leaders are also pointing a finger at the press, but in another sense--namely, that the nonsocialist press made it difficult for the party to get its views across and that the nonsocialist press glorified the nonsocialist government.

The labor movement also has its problems. As recently as yesterday, SiD (Semi-Skilled Workers' Union) chairman Hardy Hansen said that the main task of the labor movement was to elect a new government--a Social Democratic government, of course. Hardy Hansen said in JYLLANDS-POSTEN that the wage earners had let him down in the election on 10 January because they failed to understand that it was their chance to get rid of the nonsocialist government.

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STRATEGIC INTELLIGENCE SERVICE FLAWS CRITICIZED

Hamburg DFR SPIEGEL in German 19 Mar 84 pp 38-52

[Unattributed article: "A Bunch of Amateurs"]

[Text] The Federal Intelligence Service (BND) spends a total of DM 800 million each year but its achievements are meager. During major events it tends to be asleep at the switch and its forecasts—as in the case of Chernenko's appointment to succeed Andropov—are simply wrong. The intelligence service tries to make up for a lack of high-grade agents by introducing more and more technology. It is now investing DM 1 billion in a spy satellite.

To liven things up, a top BND official slips into Chancellor Helmut Kohl's role from time to time. At parties, he mimics the one-time opposition leader as he complained about being cut off from the mainstream of highly important information which the BND supplies to the government alone.

But then the BND official does a switch and mimics the man who now heads the government, sitting at his desk, excitedly racing through imaginary reports from Munich-Pullach; his eyes dilating in horror.

"Schrecki," the pseudo-Kohl calls out to the pseudo-Waldemar Schreckenberger, the chancellor's top executive assistant, "where is the hot, secret information? Now that I have become chancellor, I have to get it all from the BND. There is nothing in these reports, Schrecki," he says, throwing his hands up in despair.

But Schrecki does not know the answer either. "The fact is," the man playing the chancellor's role tells his audience with a serious mien, "there is nothing here. That is all there is—not a thing." But now he is already laughing again because what his intelligence service has to offer really is a laughing matter. Kohl's double is not exaggerating. The new bosses in Bonn expected far too much from the BND and their disappointment with what they got was appropriately great. BND President Eberhard Blum is not surprised. "Every government thus far has expected too much," he says.

The expectations of the present CDU-headed government were particularly high—the reason being that the BND has had the reputation of being arch-conservative ever since the days of Reinhard Gehlen, its founder and first director.

Even during the 13 years of socialist-liberal rule, the CDU/CSU element inside the BND was powerful throughout.

But the Kohl government is none too happy with the BND either because the amount of political information among the intelligence data gathered is so meager and because the service has a vast technical apparatus at its disposal but no one in the chancellor's office or the foreign ministry really knows what its value is.

Since they have a hard time controlling the BND, Kohl's people consider it a constant threat and an unknown quantity which might saddle the chancellor with a new crisis by causing a scandal at any time. This feeling of powerlessness has increased now that the counterintelligence service (MAD) has given the Bonn government an idea through its handling of the Woerner/Kiessling affair just how sloppy a West German intelligence apparatus can be.

The long-time aura of the espionage organization is gone now. Initially, it was founded on skillful public relations under its director Reinhard Gehlen; but then the BND suffered badly because of domestic spying and the bugging affair involving nuclear expert Klaus Traube.

Only the military people at the defense ministry are halfway satisfied in view of the fact that the BND, in putting together its daily reports on the enemy in the East, relies to a large extent on the expensive listening equipment of the army, navy and air force. "If the armed forces have an extra half hour lead time in a crisis," President Blum says, "then all the millions that went into purchasing the technology will have been well spent."

Is the BND then not much more than an auxiliary unit of the armed forces ?

In the old days, as long as the Iron Curtain was still shut tight, Gehlen was able to shine by presenting information from the Red empire. Nowadays, West German politicians and journalists know more about the East sooner than the BND from personal conversations conducted there. In its competition with the Americans or Israelis; with the British, the French and the foreign ministry, the BND has frequently come out second best.

Eberhard Blum, who has been running the Pullach operation since 1983, admits that his outfit no longer has anything extraordinary to offer. "The fact is we do not have a man inside the Kremlin," he says, "and in Poland, we have no one sitting at Jaruzelski's elbow."

At this time, the BND which is responsible for espionage in foreign countries has 6,500 full-time employees—as many as the FRG's entire foreign service. But it is more expensive with its official budget showing expenditures of DM 216 million for 1983. But real expenses amount to DM 800 million—with the 600 extra million hidden in other federal budget items.

The BND has no influence on political decisions made in Bonn. A foreign policy expert in the chancellor's office says that the BND can at best serve to supply supplementary information. "It has **not furnished any vital** information which has influenced or in any way altered our policies," he says. The chancellor's office called it a major achievement when a comparative reading of PRAVDA and IZVESTIA by the BND unearthed a slight shift in the Soviet missile position 8 days earlier than the foreign ministry.

The era of the top spies is past. "The gap between cost and results in this field is often quite outlandish," Blum openly admits.

And for the very reason that the intelligence service is in such bad shape a new director is being sought—on an "urgent" basis, as the chancellor's office told us.

Helmut Kohl is firmly resolved to make up for a poor personnel decision he made in the early stages of his administration. He picked 63 year-old Blum to head the BND—a man who had been sent into early retirement. "What we really need now is a dynamic person with new ideas," government spokesman Peter Boenisch says.

The only thing is that the chancellor has not come up with anyone who might do a better job as yet.

Valuable time for a reform of BND operations has been lost. Of necessity, the intelligence service is therefore pinning more and more of its hopes on technology. Using highly sophisticated equipment, the Pullach team, as part of the Western intelligence community, is listening in on the Warsaw Pact nations.

But their intelligence gathering activities remain on the surface. The BND does not know except perhaps in exceptional cases what is going on inside the Eastern party, government and military apparatus; what power struggles are taking place and what negotiating positions and goals are being agreed upon.

The Soviet invasion of Afghanistan took the BND by surprise and when General Jaruzelski took over power the BND was caught napping. The fact that the GDR would raise the minimum amount of money to be exchanged in intra-German travel was not reported to the government by the BND but by Herbert Wehner on the basis of inside information received from the GDR ahead of time.

Kohl predecessor Helmut Schmidt tried to ascertain with the greatest caution whether the BND had succeeded in placing a man in the GDR in anything like the position of GDR agent Guenter Guillaume. The best the BND has been able to offer over the past decade is a contract employee of the SED central committee.

The BND is spending huge sums on modern antenna complexes and supercomputers as part of a new joint satellite project with the Americans and the British—as though it were in the business of protecting the worldwide interests of a superpower. In terms of equipment quality, President Blum ranks the BND on a par with the British and second only to the Americans.

But of what use is a worldwide intelligence network of this type to a medium-sized power like the FRG, if it does not even make a major contribution to the government's decision-making process ?

A superpower like the United States and a medium-sized nuclear power like Great Britain whose nuclear submarines are on patrol on the seven seas and who have entirely different intelligence responsibilities are spending corresponding amounts of money on their intelligence services.

Dieter Bloetz, the SPD deputy director of the BND from 1970 to 1979, attempted to limit the organization's activities to specific FRG interests. "You are not world policemen," he used to say. But it was to no avail. The BND has had a knack of getting the budget experts to come up with more and more funds and agreeing to the addition of more and more staff. Almost automatically, the BND climbed to the number two position in the West, as Blum proudly proclaims, on the basis of gigantic technical build-up.

But this rate of growth has been at the expense of quality. Meantime, here is the most recent BND fiasco. 4 days prior to the death of Soviet party and government chief Yuri Andropov, President Blum named the three most likely successors at the regular Tuesday BND briefing in the chancellor's office.

Instead of Dimitri Ustinov (Blum's "inside tip"), Grigori Romanov and Mikhail Gorbachov, it was apparatchik Konstantin Chernenko who captured the top spot in the Kremlin—and he was the one who, Blum thought, had the least chances of all.

Even Schreckenberger, who is the top government official responsible for the operations of the BND and whose favorite piece of furniture is a secret file cabinet, has taken note of how meager the Pullach output is.

A few months ago when the guessing game concerning Andropov's ailment was still in full swing, Blum said Andropov was suffering from prostate trouble. That was only normal for a man of Andropov's age, Schreckenberger curtly replied. That was not the proper kind of secret to store in his file cabinet.

As for Chancellor Kohl, he now feels much the same about the BND's capabilities as Helmut Schmidt did who did not hold "this bunch of dilettantes" in high esteem.

Former government spokesman Klaus Boelling said that Chancellor Schmidt was "genuinely shocked" when the proposal was made that he should take part in the weekly BND intelligence briefing in the chancellor's office sometime. He said his time was too valuable for that kind of thing. "And he added derisively," Boelling recounted, "that he would rather spend his time more profitably by reading the NEUE ZUERCHER ZEITUNG."

Nor is Kohl particularly interested in meeting with Blum. Having had dealings with the BND director for $1\frac{1}{2}$ years, one close adviser of the chancellor's says he does not have feeling "that I should tell the chancellor to hear Blum out on this or that."

President Blum, for his part, makes feeble attempts at defending himself. "The value of the service does not really become apparent until a crisis arises. We need a crisis. Then we do a good job." Or don't. Chancellor Schmidt has had his own experiences with the BND. In December 1981, in the midst of the Polish crisis, he decided after some delay to visit the GDR. On the third day of his state visit there, he was taken by surprise by the announcement that the Warsaw government had imposed martial law. "If we had had any intimation of this ahead of time," Boelling now recalls, "we would have postponed the chancellor's visit one more time. We blundered into it without a word of warning from Pullach."

The only thing President Blum is to be commended for in the eyes of Foreign Minister Hans-Dietrich Genscher is that there has not been any public scandal during his $1\frac{1}{2}$ years in office.

But, says Boenisch, "there always is a danger that something will blow up." A parliamentary watchdog committee has been appointed; three selected members of the budget committee are looking into BND fiscal policies. But in practical terms the BND still operates without any effective control.

"It is only by accident that we sometimes catch the mistakes," says SPD watchdog Rudi Walther. And as for official watchdog Schreckenberger, he is no guarantee at all that the mammoth operation is in proper working order because the BND is tied too closely to the chancellor, who is ultimately responsible for the Pullach operation. If anything of an explosive nature starts to accumulate at BND headquarters, the explosion itself could occur in Bonn.

Repeated attempts have been made to assume greater control over the BND or to curtail its power; but they have failed. At one time, some thought was given to moving BND headquarters from Munich-Pullach, 600 kilometers distant from the capital, to Euskirchen in the vicinity of Bonn. But the intelligence community managed to parry that thrust with a variety of arguments, even blocking the plan to move the top administration and department III, which is responsible for evaluation, to Bonn. If the plan had gone through, the government would have had an easier time controlling the political criteria according to which the BND evaluates its information; what political assignments are given to the agents and to what an extent intelligence operations stay within the law.

Every day, the BND screens private correspondence from the GDR at the post offices and peruses the mail as part of the so-called strategic control process. BND listening towers along the demarcation line also maintain surveillance of the telephone traffic with the GDR around the clock and record the conversations of FRG citizens on tape.

No one in Bonn knows exactly—and in fact cares to know—what other conversations are being taped. Nor does anyone really know what the state of the non-bureaucratic arrangements and the quick exchange of information between the BND and the intelligence services of the Western allies is which are permitted to read and to listen to anything they like on FRG soil and have not been caught at it for some time now. And the suspicion remains that the BND is in the business of gathering intelligence inside the country in violation of statutes and legal norms—as it was in the old Gehlen days.

When Genscher confidant Klaus Kinkel started working in Pullach in 1979, Chancellor Schmidt had only one request to make of the new president which was that he should see to it that nothing untoward happened at the BND. At the time, the old Gehlen rule "the service must be informed of everything, no matter how" was still in effect.

There have been reports of memorable shouting matches which ensued whenever Kinkel was told of illegal monitoring operations. "You are a super ...," the president would bellow at anyone reporting such things to him.

Kinkel's successor Blum is aware of these illegal practices. He was on General Gehlen's personal staff while the latter was using the BND to spy on labor unionists, SPD members and journalists suspected of leftist leanings inside the country.

Blum and the "doctor," as Gehlen was called inside the Pullach "camp," had a close relationship. After working hours, Gehlen would often visit Blum [Flower] and "Little Flower," which was his wife's nickname at the BND and have a plate of roast potatoes with them.

The crisis at the BND continues—even under the new government. Those in Bonn are complaining about those in Pullach and vice versa.

In an interview with DIE WELT, Schreckenberger suggested that the BND should pay greater attention to analysis in the future. What he probably meant by that was that the BND does not have too much to offer in the way of intelligence information and that the analyses it had prepared thus far seemed a bit meager to him.

In fact, Blum has been unable to stir up much enthusiasm for the BND. Day in and day out, written reports from Pullach arrive at the chancellor's office dealing with anything and everything under the sun—slightly above or below the level of newspaper copy—but it is a rare day indeed when the chancellor's office is sent any information that is of real interest at that particular juncture.

And that is not affected by the fact that Blum uses the BND's own twin-engined "Mystere" jet to fly up to Bonn every Tuesday for the intelligence briefing at the chancellor's office. Blum's briefings are dreaded by those who take part in them—because they are so boring. Whatever Blum has to say, he either reads from his notes or has someone else read for him.

At headquarters, the head of department III, Elsaesser, has instructed his staff to exercise extra care in preparing the reports because—so the saying goes—Blum is in the habit of including the typographical errors in his oral presentation.

Just so there are no mishaps, the papers prepared for Blum are written in the first person singular. The text dealing with the situation in Central America on 23 January 1984 for example read as follows: "I may assume that the facts are familiar. I will restrict myself to an evaluation of the most recent events and an attempt at assessing the prospects."

Pullach counters the criticism from Bonn by complaining about "the know-nothings in the chancellor's office" who lack foreign policy experience and interest which would help them understand and appreciate the information supplied by the BND on the Third World, for example, or on the Arab world.

Kurt Weiss alias Winterstein, who left the BND in 1981, is openly critical of the shortcomings of the chancellor's office under the aegis of Kohl and Schreckenberger. Weiss, fired by the SPD in 1970 from his job as head of the intelligence division and relegated to the post of BND director of training, had this to say to DER SPIEGEL about the Kohl government. "They do not care about the service; there is no guidance and no leadership. There is no genuine mutual trust."

No one in Bonn is really interested in the BND, Weiss claims, adding that "the service can feel it. It needs some clear guidance at long last; the chancellor's office has to set the proper priorities."

Kohl's office in fact does do things by rote. Once each month, a BND shopping list makes the rounds which "is filled out according to the motto: let them take care of everything," as one of the members of Schreckenberger's staff told us.

But the chancellor's office also tends toward caution because one can never tell who is peering over whose shoulder at Pullach. The American CIA operates along similar lines. It is careful not to turn over highly sensitive information to the Germans—among other things for fear of Eastern agents inside the West German intelligence establishment.

To be sure, the Americans are making more of their secret information available to the Germans than to most other Western countries; but there are still some who do get more than the Germans: the British, the Canadians and the Australians for example.

Australia asks for and gets its share of the data collected by the American spy satellites and picked up by the ground receiving stations on Australian soil. For this reason, even the communists in the PRC get more and better intelligence information than the Germans from time to time.

The fact is that two of the most important listening posts in the global U.S. intelligence network are monitoring the Soviet Union from the territory of the PRC. These installations in China are all the more important to the United States ever since Ayatollah Khomeyni had the American listening posts in Iran shut down which had been monitoring the Soviet Union from there.

Traditionally, the CIA has had the closest intelligence relationship with Great Britain which it is supplying with genuinely exclusive material. The United States has expanded on the customary security classifications of "confidential," "secret" and "top secret" by adding some new categories.

95 percent of these classified documents—some which were designated as "shadow" or "neckband" contained information gathered by spy satellites—may not be sent out of the country; but the remaining five percent can be made available to and be evaluated by the British or the Canadians but not the Germans.

The BND, it appears, is not an airtight operation. There are unmistakable signs of the existence of moles.

HORIZONT, a GDR magazine, has been publishing accurate information at irregular intervals on top secret inner goings-on at the BND—in late 1983, for example, on BND agents in Cologne, Rio de Janeiro, London, Rome, Paris and Stockholm. In this case, the cover was blown on a wide-ranging BND

network which maintained contact with Polish exiles who were to be used in operations against the Polish government. The magazine, which has close ties to the GDR foreign ministry, carried illustrations of facsimiles of BND documents which only existed in triplicate.

Coups of this sort the BND can only dream about ever since the time GDR agent Werner Stiller changed sides some years ago.

Gone are the halcyon days when Gehlen's men managed to gather intelligence in the very power centers of the East Bloc.

The Gehlen approach was passed on to the latter's successor, Gerhard Wessel: the self-image not in keeping with a democratic form of government; the image of the enemy and the intermittently illegal methods used. And Blum, too, admits that he has not departed from that model—not to mention a good many of the 6,500 BND rank-and-file.

Particularly during the years of the socialist-liberal coalition government, the BND looked upon itself as the bulwark of anti-communism—all the more as the old enemy images were gradually replaced by the policy of détente.

A dyed-in-the-wool civilian, an FDP liberal, a firm believer in détente, Klaus Kinkel tried to reform the BND—in terms of personnel, policy, methodology and image.

Gehlen had recruited his team from the SS and the SD of the Nazi era; from the ranks of the old nobility; immigrants from the East and his own family as well as the Bundeswehr and the police. All of these people's view of the world carried an anti-communist, military kind of stamp and their allegiance to the rule of law was somewhat underdeveloped. Kinkel liked to refer to the old-style Gehlen agents as "slouch hat Indians."

He had a vision of an entirely different type of operation; a service industry which replaced the old-style spies with electronic intelligence equipment. He started looking for highly qualified natural scientists, technicians and mathematicians and gave himself the job of seeing to it that the rules and regulations of the constitutional state were observed—even by an underground organization.

But this is the kind of operation which Blum—whom Horst Ehmke, the former head of the chancellor's office, once removed from Pullach and sent to Washington—is none too happy about. He is neither willing, nor able to discontinue the technical buildup initiated by Kinkel.

But Blum says he now wishes to place "greater emphasis" on human resources—based on the old formula of encroaching on the enemy turf. Blum is in agreement with Richard Meier, the former head of the Cologne Office for the Protection of the Constitution.

Meier believes that the BND has been relying too much over the years on the evaluation of public information such as radio broadcasts and newspaper stories. As a consequence, there has been no information from the decision-making bodies of the East Bloc countries.

Meier, too, admits it is difficult to recruit scientists, military men or functionaries. As members of the establishment, they rarely run into problems with the regime. But Meier does criticize the fact that no appropriate attempts are even made; that "no new talent is being cultivated."

As an example to follow, he cites the CIA. Even in the GDR, he says, the American competition is superior to the BND and more successful in laying its hands on defectors. Meier calls it downright shameful that the BND frequently has nothing more to offer to the chancellor's office than CIA data when it comes to reporting on the regimes and conditions in the East Bloc countries.

In the good old days, Gehlen had spoiled the Bonn establishment with his briefings. The agents Meier now says are not there used to operate in the center of enemy power. In Minister President Otto Grotewohl's outer office there was Elli Barczatis (whose code name was "Daisy"); in Ernst Wollweber's ministry for state security there was Walter Gramsch (whose code name was "Brutus") and even Deputy Minister President Hermann Kastner was working for Gehlen. Kastner's wife would hide documents in her brassiere and girdle and carry them across the West Berlin sector border in her husband's official car.

Most of these considered themselves patriots and not spies; they were social democrats or former liberal democrats at odds with the SED policies. One of the BND agents even paid for it with her life. Grotewohl's secretary Barczatis was executed in the GDR. But at the latest when the Wall went up in 1961, the "high-calorie sources" gushed no more. It was something the Bonn establishment had to get used to.

Blum's talk now of drilling for new sources and breaking open secret file cabinets is not likely to impress Bonn very much. The succession of BND agent fiascos is too long for that. Over the years, the intelligence service has been guilty of wasting human lives with the utmost abandon.

Recruiting spies locally, such as inside the GDR for instance, has become a difficult business quite different from the glorious early years of the BND. "We have to sift through a thousand possibilities," one insider complains, "before we can really win a genuine source for ourselves."

The BND has instead preferred recruiting citizens of the FRG, equipping them with a mini-camera, telling them that everything was of interest and dispatching them to the GDR. In many instances, it just took a few hours for the amateurs to be apprehended as they were taking pictures of military installations. The upshot were stiff sentences and in some cases even life imprisonment.

Honecker legal counsel Wolfgang Vogel asked Klaus Boelling, the then permanent FRG representative in East Berlin "to suspend these childish activities" in the interest of intra-German relations. Chancellor Schmidt was incensed when informed of these practices and ordered them stopped immediately.

Boelling says that even top drawer information supplied by the BND was usually handled with caution. He once looked at the information on the personal lives of the GDR leadership stored in Pullach's files and found that "any good newspaperman is in a position to collect this type of material just as easily."

The files told him that Konrad Naumann, the SED chief in Berlin, was having an affair with an actress at the Deutsche Theater. Alexander Schalck-Golodkowski—who worked out the GDR credit package together with Franz-Josef Strauss—was using a special firm to import luxury goods for Politburo members from Switzerland. The BND files also faithfully reported on the pleasures and failings of functionary offspring.

But the files contained nothing on decisions taken by either the SED Politburo or the central committee or about the sensitive relationship between the GDR and the Soviet Union. That type of information, Boelling now says, "has to be obtained elsewhere."

Then as now, there are some specific reports of interest such as on the way in which those willing to leave the GDR are treated; on economic conditions in the major combines or on the mood of the populace and the armed forces—the type of information an experienced journalist can pick up as well.

It was not for this reason alone that Helmut Schmidt did not care much for the BND. He was much more disturbed by its personnel policy; by the activities of the CSU members of the service; by its elitist overestimation of its capacities and the gap between cost and effectiveness.

Try as he might, Klaus Kinkel was unable to change the service during his 4-year tenure. The scientists Kinkel meant to hire are still drawn to Siemens instead. At best people with an 007-mentality sign on voluntarily.

The majority of the people are still of the type who stand at attention when they are called on the carpet and yell: "I admit my mistake, Mr President."

The old spirit was still there when GDR Lt Col Klaus-Dieter Rauschenbach defected. When Rauschenbach said soon thereafter that he wanted to return to his family in the GDR, the BND top officials would not let him.

"Gentlemen, I thought we believe in freedom of movement," Kinkel reminded them. The officials thought the whole matter might be resolved with the help of money. "You know how he will react to that ?" Kinkel said. "He will say I want to go home to my wife."

But the officials did not feel like giving in. "Promise him," they said, "that we will get his wife and children out. But when Kinkel asked them "could you get them out ?" they said "of course not."

That was the kind of duplicity that was the order of the day during the Gehlen era.

When a department head once bluntly pointed out that certain reports from the GDR listed "a staff member of the SED central committee" as their source, Gehlen said "so what ?" The other man then called attention to the fact that "we do not have anyone working for us on the central committee" to which Gehlen's response was "and who can prove that ?"

Soon after he took over as head of the BND, Kinkel realized that he would have a difficult time changing the operation around.

Very quickly, he came to be called "too soft" and after less than 6 months he was ready to leave. But he did stay on and did manage to curtail at least a few excesses.

Even during his directorship BND operatives took part illegally in interrogations of Palestinians in a Munich jail. In monitoring East-West contacts and in the course of worldwide monitoring activities in outer space, the BND violated the privacy of countless citizens' correspondence and telephone conversations.

It is in fact the technological buildup initiated by Kinkel which has invaded the privacy of our citizenry to a large extent. Manfred Schueler, the state secretary in the chancellor's office during the Schmidt era, has said that it can "of course not be ruled out" that domestic telephone conversations are being monitored because there is no reason to expect "some parliamentarian constantly to be looking over the shoulder" of the Pullach operatives.

Nor does Blum know exactly how he is going to enhance his intelligence operation through the use of human resources. He believes he may make some headway by recruiting Warsaw Pact embassy personnel "in third countries." As always, human weaknesses such as the desire for money or young men are to serve as lures.

There are some regions of the Third World, such as Latin America and the Near East where BND contacts have long been good. The Gehlen crowd took up with old comrades-in-arms who had made off to these parts and had been hired by the local intelligence services or had otherwise landed influential jobs.

Soon, opportunities arose to do favors both big and small for the local governments. The BND would train bodyguards, for the Persian government or the Saudi king for example. It also helped organize the intelligence services of a number of countries, including some in black Africa, and supplied them with weapons.

Actually, Gehlen's official mission was not to restrict his activities to the Soviet adversary but to extend them to intelligence gathering in all crisis areas of the world. But Gehlen held fast to his image of the enemy. The primary use to which he put his contacts in the Third World was to gather intelligence on the Soviets. Even today, Syria, Moscow's arms depot for the Near East, still figures as the BND collection site for the latest military equipment.

In other countries, such as Iraq and Iran, whose diplomats must seek asylum due to revolutions and wars, the BND has at times taken over some meaningful, quasi-diplomatic functions on behalf of the Bonn government and for the protection of German citizens.

The BND not only has problems with the chancellor and his immediate staff; the Bundeswehr's complaints, too, have been growing throughout the seventies following the collapse of the BND agents' network in the East about the steadily worsening quality of the service's "enemy situation reports." The military asked for an intelligence service of their own.

The controversy dragged on into the eighties. It was not only the fall of 1982 that the BND and the defense ministry agreed on their respective areas of responsibility in a 12-page document.

The "Office of Intelligence" which the Bundeswehr had already established as a nucleus of an intelligence service of its own requested to immediately have back 500 of its 800 members now employed by Pullach. They will get 18 and even these not all at once, but only over a 5-year period.

The BND can thank its massive changeover to technical surveillance for this initial victory. Since the mid-sixties, the BND has been concentrating more and more on electronics and its quantum leaps in development. A huge rearmament drive for war in outer space was initiated.

In the early seventies, it was the SPD's Dieter Bloetz, assigned as deputy BND director by the SPD government, who took responsibility for the build-up of the electronic monitoring network. Bloetz' special area of responsibility was the maintenance of contact with big brother—the U.S. National Security Agency (NSA), which listens in on worldwide telephone conversations, satellite communications, military communications and analyzes the signals emitted by missile launch sites, submarines, aircraft and tanks.

Even now Blum still gets mad when he thinks back to the rude way in which Bloetz treated him when he was the BND's representative in Washington. Blum was allowed to drive Bloetz, who was his superior, to Fort Meade in Maryland where NSA headquarters are located and also to pick him up again. But Blum did not get to attend a single one of the meetings.

With NSA help, the BND obtained sensitive and modern monitoring equipment. Between 1972 and 1977, the Germans spent almost DM 1 billion for electronic warfare.

In close cooperation with the Americans, the West Germans have been monitoring telephone conversations in the GDR and the CSSR as well as military radio traffic ever since. They are also monitoring the communications networks and locating enemy radar installations and heat sources.

Along the FRG's eastern frontier from Neustadt on the Baltic past Braunschweig and Bad Sachsa all the way to Schnellberg mountain in Bavaria, extends like a row of giant fence posts, a long line of concrete-and-steel-towers on which the monitoring antennae are mounted. These installations are operated by special Bundeswehr units and by the BND itself. The BND president is responsible for coordinating the entire operation.

Close by the towers—on top of 1,079-meter high Schwarzriegel in the Bavarian Forest for example—Germans and Americans in barracks jointly operate the monitoring equipment—most of it developed in the United States but some of it also in BND-owned research institutes. High-performance computers are used to screen the collected data and to decode them, if possible. In the case of telephone monitoring, the computers are so sophisticated that they will only give the command to record the conversations whenever certain numerical sequences—such as telephone numbers—or certain code words appear.

Western intelligence ties into radio relay communications which are used in most of the GDR's and the CSSR's telephone connections. The monitors are not only able to listen in on the public telephone system but also the special networks serving the NVA and the SED.

On 11 January 1980 at 12.30 pm, for example, the West German monitors managed to record a conversation between two SED functionaries. Economic department head Siedert in Rossau was talking to comrade Schenk at a chemical plant in Halle about cost problems. Siedert was asking whether the plant was running a deficit once again and Schenk admitted that he was in the red again to the tune of DM 1.7 million.

For the BND monitors, it is all part of assembling a mosaic of the internal in the other half of Germany.

The monitors and their sensitive equipment are even able, by sea, on the ground and in the air, to penetrate the western reaches of the USSR. They monitor the construction of new SS-20 launch sites, the movements of mobile missile systems and the combat readiness of the Warsaw Pact forces. Germans, Norwegians, Britishers, Turks, Frenchmen and Italians are all part of this long-distance espionage network and exchange data among themselves.

The West Germans are also making an effort to come up to the world standard in decoding. To be sure, the computers used by the "Central Coding Office" in Bad Godesberg rarely manage to crack the enemy code, if only for a time. For that matter, these codes are "super-coded" nowadays which means that they are encoded more than once. Nonetheless, the German experts do manage to sort out the different radio transmissions according to their origination—in other words, to distinguish between civilian, military or diplomatic messages which is of great importance to the enemy situation analysts.

During the Falklands war, the BND assisted the British in decoding the Argentinian radio traffic. Conversely, so the story goes in Bonn, the Russians helped the Argentinians crack the British code.

The BND's electronic buildup had the support of Helmut Schmidt. The chancellor, who was deeply convinced of the world political importance of his own person and of the economic strength of the FRG, was easily persuaded of the need of West Germany's attaining greater independence from the United States in its East Bloc intelligence activities. His reasoning went something like this:

For the sake of their political identity, if for no other reason, the Germans and their European neighbors had to be able to produce high-quality monitoring equipment—also in order to trade such equipment with the United States.

The intelligence goals of the United States and the FRG were often quite disparate—the U.S. concentrating on strategic processes inside the Warsaw Pact and the Germans more interested what went on inside the military establishment below that top level.

The Americans would not turn over all their data to the Germans. This applied in particular to data collected by American spy satellites.

Americans and Europeans were frequently at odds in their analysis of military events inside the Warsaw Pact. During the Polish crisis, for example, the Americans three times predicted that the Soviets would invade Poland and were wrong three times.

Kinkel provided access to the BND to its own surveillance apparatus from above, obtaining DM 1 billion for participation in a "special project" which is presently being developed jointly by the FRG, the United States and Great Britain and is to be operational in the late eighties.

The special thing about the project is that each participant can get a readout on the data specifically tailored to its needs. The other participants, the BND claims, cannot tamper with the system.

But what good is it, if the BND is able at some future date can offer the the chancellor its own photos of the SS-20's or some other Soviet missiles.

For the daily defense ministry briefings the material the Americans provide is good enough to work with. This material is double-checked against data of our own and material supplied by other friendly intelligence services.

The situation inside the Warsaw Pact comes out something like this then—on a particular day in December 1983:

"The training program for command personnel" of a specifically identified Soviet airborne division is completed; certain Soviet commanding generals have gone on an official trip; the helicopter gunships assembled in a certain region of the GDR are to be used as part of a joint Soviet-GDR combat exercise. Both the number of men and the duration of the exercise are given.

The situation report further states that an additional SS-20 launch site has become operational in the Kansk region of the Siberian military district with another site still under construction. The total number of operational SS-20 sites has thus increased to 41 with a total of 369 missiles and 1,107 warheads.

It is also recalled that there was a prediction in March 1983 to the effect that the Kansk site would be completed by the end of 1983.

By participating in the satellite project, the BND is hoping that a dream will come true which has always spurred on everyone in the intelligence community—particularly in Germany—to be better than the competition; to be the first to **come up with some** startling piece of information; to be able to assign more personnel and spend more money.

But the BND's ambitions are in no way compatible with the amount of public funds required for their realization. The upshot, after all, is an inflated bureaucracy fixated to such an extent on technology that the staff is rapidly losing its taste for initiative and the readiness to accept responsibility. Even the BND top management admits that this is so—with the supposed constraints of the technology serving as a welcome excuse.

As for Helmut Kohl, he hardly seems like the man to hold this trend in check. After all, he did not exhibit a great deal of foresight when he picked Blum, the picture-book diplomat, to head the service—a man with his hair parted just so and smoking the right brand of ("Embassy") cigarettes.

CSU Minister of the Interior Friedrich Zimmermann had asked Kohl to name Blum by arguing that party chairman Strauss could thereby be shown that men agreeable to the CSU would also get major appointments in the course of the government changeover.

Blum proposed to exercise leadership by being nice to everyone and by curtailing enmity and intrigue within the service.

But these good intentions did not get the new BND head very far in his 1½ years on the job. Morale has not improved. BND Vice President Norbert Klusak was none too happy about having Blum, a former subordinate, appointed as his new boss. Blum, after all, had retired and was merely going to go on trips throughout the world on behalf and at the expense of the BND.

Blum signed a consulting contract with President Kinkel calling for two trips a year, he says, and three or four trips, say others, to America to perpetuate his old contacts in America. "I spent 12 years in the United States," Blum says in justifying the special arrangement in all modesty. "No one had better connections there than I."

The truth is that Blum, an inveterate party giver, had excellent connections all the way to the top, calling Vice President Bush, the former head of CIA, a "personal friend."

At the time, his colleagues in Pullach accused him of merely angling for free trips to his vacation home in Florida at BND expense.

Suddenly, following the change of government in Bonn, the potential early retiree was named the new head of the BND. His old enemies complained and Blum fired back at them. "Many of the people here have been too much affected by the environment," he said. Among the BND couriers a rumor made the rounds to the effect that Blum smuggled in a Berber rug on an official aircraft upon his return to Germany from a trip to North Africa. Blum calls it "an official gift."

But Blum's reputation was damaged even more by his personnel policies. The man named to head department I which is responsible for procurement was someone "I did not know at all," as Blum admits.

The man in question was BND official Rudolf Werner who was earning a base salary of DM 4,000 until then as chief of the Polish desk. Werner moved up to the position of department head (with a base salary of DM 7,830) because his old friends among the close advisers of the chancellor felt he should—towitz Horst Teltschik, head of the foreign policy department, of whom Werner says "I have known him since my student days" and the chancellor's right-hand man Schreckenberger whom Werner has also "known for a long time."

By now, Helmut Kohl, too, has realized that there is a personnel problem at the very top. But the chancellor is handling that problem in his own way—by procrastinating.

Deputy director Klusak will in all likelihood be appointed new head of MAD [Military Counterintelligence] sometime this year and the SPD's Wolfgang Koch, present head of the intelligence department in the Chancellor's office, will be named to replace him.

Although the decision has already been taken to let Blum go, his term of office will first be extended by 6 months. By then, the BND chief will have served long enough to qualify for a president's annuity based on a monthly salary of DM 10,337.

9478

CSO: 3620/216

MAX JAKOBSON, COMMUNIST LEADERS ENTER ZA RUBEZHOM DEBATE

Jakobson: Soviet Charges 'Absurd'

Helsinki UUSI SUOMI in Finnish 27 Feb 84 p 3

[Article: "Jakobson considers EVA Charges Absurd: Soviet Charges Obviously Originate From TIEDONANTAJA"]

[Text] The director of the Commission for Commercial and Industrial Life, Max Jakobson, is of the opinion that the charges presented by the Soviet weekly paper ZA RUBEZHOM regarding the activities of EVA [the Commission for Commercial and Industrial Life] is nothing new.

"The TIEDONANTAJA paper has already for years drummed up charges that EVA has been striving to add fuel to the conflicts within the Finnish CP. The importance of EVA in this context has, in my opinion, been greatly exaggerated," says Jakobson.

"I do not believe that it serves any purpose nor that it is systematic in any way to bring the ZA RUBEZHOM charges into focus. Such charges are typical for certain groups when the Finnish society is examined," says Jakobson.

"It is, in my opinion, absurd to claim that a certain force or factor would have been able to cause the interior problems and conflicts of the SKP [Finnish Communist Party]. They are a consequence of the general trend in society. If there is a wish to somehow see EVA as the cause of the situation, this is just a wish to find a culprit for a trend that one is not willing to acknowledge," claims Jakobson.

The Soviet weekly paper for pressmen, the name of which would be ULKOMAILLA [ABROAD] is translated into Finnish, claimed that EVA had arranged a campaign against the SKP and that it is trying to add fuel to its inner conflicts. The paper further claims that the campaign very strongly involves almost all Finnish mass media.

Jakobson does not deny the fact that the goals of the campaign would be in line with the goals of EVA.

The members of EVA consider it possitive to support a trend of a kind that promotes the broadening of consensus in society. The minority within the SKP is not such a force and EVA is thus not interested in supporting movements of this kind," states Jakobson.

The Soviet writers' view of the Finnish society is similar to the view conveyed by TIEDONANTAJA. They obviously either read TIEDONANTAJA over there or else receive information of the same type from here," assumes Jakobson.

Saarinen: Soviets Lack Understanding

Helsinki KANSAN UUTISET in Finnish 28 Feb 84 p 12

[Article: "Saarinen Evaluating Soviet Article: 'The Road To The Head Cheese Factory Found'"]

[Text] Former SKP Chairman Aarne Saarinen says, after reading the article in ZA RUBEZHOM about SKP's problems and after listening to Taisto Sinisalo's speech at the SKP Central Committee meeting, that he has found the road to the "head cheese factory."

The article expressed, among other things, that "the logic of the trend of society has in a sufficiently convincing way shown that the greater the results achieved by the Communist Party when the activities are based on Marxism-Leninism, the more active the attacks against the party by the class antagonists become."

According to Saarinen the Evaluation is too One-Sided

"Several years after the party became official and when it was in the government, the party leadership at the time estimated that the main danger was the leftist opportunism."

"Permanent phenomena within the party have been both the left-wing and the right-wing opportunism. It is not possible to reach an agreement as to which one of these is more harmful nowadays."

Saarinen says that according to him and many others the Sinisalo grouping represents the left-wing opportunism, while this group again is of the opinion that Saarinen and several others represent the right-wing opportunism.

"When Sinisalo projects the attention and the criticism, the motives being questionable, only on right-wing opportunism, this strengthens the left-wing opportunism within the SKP in an objective sense. This is also dialectics."

Saarinen says about the above paragraph excerpted from the Soviet paper article that the writer and those who examined the article, are not familiar with the trends and the political facts in Finland and that they intentionally present a distorted view of Finland.

"The accomplishments of SKP within foreign policy and especially in the positive development of the relationship between Finland and the Soviet Union as well as in regard to the improvement of the situation of the Working class and the poor people are much greater than the accomplishments of the communist parties of several other European countries."

"Regardless of the extent of the accomplishments, anti-Communism and anti-Sovietism are much weaker in Finland than in all the other capitalistic European countries. It is a wonder that this is neither observed nor recognized."

"The forces that are affecting this positive trend and continue to do so are the forces within the SKP that are labeled right-wing opportunists. To give such a label is, however, just a disservice."

"I wish that these views of mine would be brought to the attention of N. Sarapuu, a Tallinn reader of the article."

'Kajanoja Made a Wrong Comparison'

According to Aarne Saarinen Jouko Kajanoja did not hit home in comparing his evaluation with the evaluation of the SKP made by the Soviet paper. Kajanoja commented on the article at the press conference that followed the Central Committee meeting last Sunday.

As a comment to Kajanoja's comparison Saarinen has brought up an excerpt from his presentation at the 18th SKP in 1978.

"Several fellow party members are concerned also about the fact that the participation in the country's government integrates the capitalist system of the party and the bourgeois state machinery. It is not possible to deny that there is reason for such concern."

"It is true that our party has changed in a significant way in this country, but this does not mean that the ideological and political characteristics of our party would have changed."

"It is and remains a revolutionary party--the party of the working class--the ideological basis of which is the scientific socialism, the principles of Marx, Engels and Lenin."

"Such assumptions, according to which the essence of our party would have changed, are clearly based on an optical illusion. The change has taken place elsewhere in the interior and exterior relationships of our country, in some other parties and in the forces of society."

"These changes have naturally affected our behavior and our tactical evaluations, but the nature of our party has not changed because of them and our revolutionary goal has not become dimmer."

Sinisalo: Attack by 'Eurocommunism'

Helsinki KANSAN UUTISET in Finnish 28 Feb 84 p 12

[Article: "What Did Sinisalo Say?"]

[Text] Taisto Sinisalo caused great astonishment at the Central Committee meeting with his exceptionally categorical speech, the text of which he also gave out to be distributed to all mass media.

In his speech Sinisalo presented an extreme view of the internal situation of the SKP and labeled a part of the party as right-wing opportunistic blaming Secretary General Arvo Aalto and SKDL [Finnish People's Democratic League] Chairman Kalevi Kivisto by name.

Sinisalo said that the SKP inner circle submitted to the anti-communist propaganda of the bourgeois and that the right-wing, as defined by him, is involved in a power struggle within the SKP.

"Recent provocations also show that the right-wing relies on individuals within their own ranks who downright represent the enemy."

"Through their lack of perspective and through the actual defamation of the Communist Party, the working class and its ideas our right-wing opportunistic opposition does a special service to the Conservatives."

Sinisalo interpreted the SKP situation in such a way that the main line and the party decisions have been given up by a group other than the minority.

"As much as there is talk about renewal, the only thing that is new in all this is the moving from the crisis of "eurocommunism" into open opposition, to actual liquidator attitudes in regard to the Communist Party."

"In Aalto's and Kivisto's speeches the return to government collaboration is not a matter of the drawing up of lines for the SKP or for the SKDL, but on the contrary efforts to turn back the trend to become more leftist and more united within the politics of our movement. This seems to be the only thing where the right-wing opportunists of our party are distinguished as oppositionists."

In talking about the upcoming delegate meeting Sinisalo again saw the matter in such a way that the group that he defines as right-wing is using methods that are against the rules and the democracy of the organization in striving for their goals.

"In the power struggle that the right-wing opposition of the party is involved in, it tries to do everything possible to accuse those who do not want to submit to its dictation."

Sinisalo, who belongs to the minority, says that his goals are only peace, leftist policy and a united delegate meeting, not the take-over of the party.

"It is equally clear, of course, that these district organizations (the eight districts of the minority) do not submit to the dictation and arbitrariness of the right-wing opposition which is leading the party to disaster. This does not happen under any conditions. Those who are attempting to disintegrate the party should bear this in mind. It is indeed possible to break up the party--but it is not possible to put an end to the Communist movement.

SKP Chairman Kajanoja Comments

Helsinki TIEDONANTAJA in Finnish 27 Feb 84 p 2

[Article: "Jouko Kajanoja: ZA RUBEZHOM's Evaluation Corresponds to That of SKP"]

[Text] "The Soviet weekly paper ZA RUBEZHOM's evaluation of the bourgeois anti-communist campaign corresponds largely to our own evaluations," states SKP chairman Jouko Kajanoja.

"It also confirms again that the CPSU evaluations are not directed against us, contrary to most evaluations presented in the West," commented Kajanoja on the Soviet evaluation in connection with the Central Committee meeting.

"Internationalism is for us Communists a more important and more solid part of the political work than it is for any significant political forces," said Kajanoja in his presentation at the Central Committee." Those in power have always declared that the forces that oppose them and promote society are representatives of foreign power. The workers' movement has been accused of this twice, because it originally declared that its view of the world is international."

SKP has also received its share of this. Special efforts have been made to try to harm us by claiming that the party is directed by Moscow or that it forces a "Soviet model" on Finland, which does not agree with the Finnish traditions.

Both charges naturally exist only in the minds of the opponents.

Concerning the directives from Moscow, the bourgeois obviously cannot understand the special relationships between the communist parties, including SKP and CPSU. Their basis is one of the cornerstones of the working class world view: solidarity.

The bourgeois way of approaching things easily sees only supremacy and submission, the relationship always involves mutual competition. For the bourgeois it is simply hard to understand relationships involving collaboration at the most equalitarian level possible, solidarity. This is also the case in the relationship between SKP and CPSU, although a relationship of such a kind can in no way be comprehended by the estranged mind of the bourgeois.

It is probably on the whole wrong to talk about a socialist model--the concept as such is misleading in a way that is odd in regard to all reality for the "copying" of some model. There are no models, only conformity to law. And in regard to the nationalism of socialism, the "blue and white colors"--a

transfer to socialism is possible only at a national level in Finland, based on the will of the general public. Socialism in Finland has to be as Finnish as Finland itself--and more Finnish than Finnish moneyed capital.

Moscow-Oriented Paper Comments

Helsinki TIEDONANTAJA in Finnish 1 Mar 84 p 2

[Editorial by Erkki Susi: " KANSAN UUTiset and ZA RUBEZHOM "]

[Text] Lately it has become clearer than before that KANSAN UUTiset which declares that it is the "main press organ for SKDL and SKP" is the mouthpiece of SKP's right-wing opportunistic opposition and the organizer of the forces within the party that oppose the politics and the unity of the party.

An illustrative example of the role of KANSAN UUTiset is how it has acted in regard to the article in the Soviet ZA RUBEZHOM paper concerning SKP. KU [KANSAN UUTiset] delayed the publishing of the article that it had available over two issues in order to be able to place an attack against the article in the same issue. Aarne Saarinen thus attacked the Soviet evaluation beginning on the first page in the Tuesday issue in which the ZA RUBEZHOM article was published.

Without giving any reasons Saarinen declared that the evaluation either reflects incompetence or gives an "intentionally distorted picture" and called Taisto Sinisalo the Finnish counterpart, a "head cheese factory" in a manner that traditionally is typical for the extreme right wing. With Saarinen's help KU gave the message to its readers about what attitude a proper "majority member" should have in regard to the Soviet evaluation.

Aarne Saarinen who is known for his anti-Soviet statements was thus chosen to express SKP viewpoint in the columns of KU.

At the press conference that was held after SKP Central Committee meeting Chairman Jouko Kajanoja expressed the party viewpoint by stating that the views of the Soviet paper corresponded to the evaluation of SKP.

In its Monday issue KU published only a short mention of Kajanoja's statement hidden among other text. Saarinen, on the other hand, got plenty of column space in the Tuesday issue both for ZA RUBEZHOM and to attack the Kajanoja statement.

Why did KU indeed use Saarinen for its dirty work--Secretary General Arvo Aalto's attacking statement directed toward the ZA RUBEZHOM article would indeed have been available?

It has obviously been considered important to use the roaring nationalist Aarne Saarinen, who so to speak does not have anything to lose in the columns of the paper. Secretary General Aalto who is aiming for the position as chairman of SKP presents corresponding statements in the bourgeois forums.

What is the role of the KU as the organizer of the right-wing opposition of the SKP in this exemplary case? At least in an objective sense its role is-- from a nationalistic point of view--to foment the force group within the party and within the People's Democratic movement against the CPSU and the brotherly relations between the SKP and the CPSU.

Is it in this vein that the background forces of KU intend to carry out the 20th delegate meeting as well?

9662

CSO: 3617/114

MOSCOW-ORIENTED CP ORGAN LISTS EDITORIAL STAFF CHANGES

Helsinki TIEDONANTAJA in Finnish 7 Mar 84 p 13

[Unsigned article: "TIEDONANTAJA Beefs Up Its Editorial Staff"]

[Text] The minority's TIEDONANTAJA, scheduled for merger with the newspaper YHTEISTYO, is strengthening its operations.

Two new editors have recently been hired for the staff of TIEDONANTAJA.

TIEDONANTAJA editor-in-chief Erkki Susi says that one of the new editors will take the place of former editor-in-chief Urho Jokinen, who has retired. However, Jokinen will continue writing for TIEDONANTAJA.

According to certain sources TIEDONANTAJA also hired or is hiring another regional editor for Turku. Erkki Susi says, however, that he does not know anything about such plans.

TIEDONANTAJA also entered into an agreement recently with the Finnish News Bureau for use of its news services. The facilities needed for news transmission have been in use in the editorial office of TIEDONANTAJA for about two weeks.

Editor-in-chief Erkki Susi affirms that TIEDONANTAJA will continue to appear.

"One can, of course, imagine that within the party a situation will arise that makes possible a reorganization of TIEDONANTAJA," Susi says.

"We consider it an absolute condition that the party gets an organ whose line of thought is the same as TIEDONANTAJA's."

Susi doubts, however, whether TIEDONANTAJA would cease to appear as a newspaper even after that kind of arrangement.

"The district organizations have a right to publish newspapers, and use of the name TIEDONANTAJA is not prohibited," Susi says.

CONSERVATIVE PARTY WEAKENED BY GROWING DIVISION IN RANKS

Helsinki SUOMEN KUVALEHTI in Finnish 9 Mar 84 pp 49-51

[Article by Hannu Savola: "Conservative Party's Ranks in Disarray"]

[Text] Chairman Ilkka Suominen makes an appeal on behalf of the unity of the party and its parliamentary group. A field activist speaks about the chaotic condition, and the "sturdy" parliamentary group time and again comes apart at the seams. What is the problem?

To find out, we called on Matti Jaatinen, the parliamentary group's former chairman, who has observed the goings-on of the Conservative Party for a month from the spacious office of the governor of Kymi.

For the Conservative Party, which according to all the polls was supposed to become the big winner in the last parliamentary elections and at the same time the party in power, things are not going well right now.

There was a colossal disappointment in the elections and in the government negotiations which followed them soon afterwards, when the SMP [Finnish Rural Party] was taken into the government and it remained for the Conservative Party to make preparations for the twentieth anniversary of its existence as the party in opposition.

Afterwards party harmony has developed cracks. You could hear the cracks during the voting in last summer's election for chairman: a good one-third of the people in the field wanted Suominen to step aside.

In the autumn the party leadership took the budget-agreement negotiations on the chin, when the parliamentary group voted the agreement down. Security for working conditions also divided the parliamentary group, and finally the group was torn in two when, a month later, it elected the successor of Matti Jaatinen to the position of group chairman.

One opinion poll after the other has shown decreasing support for the Conservative Party. Therefore, it is no wonder at all that at a recent meeting of the party council Ilkka Suominen made a public appeal on behalf of party unity:

"The credibility of Conservative Party policy now depends essentially on the unity of our own activity. Political activity is mass action in which we have to recognize that, starting from an intellectual basis emphasizing freedom of the individual, if no common will is to be found, there is no power or credibility either."

"Portion of People Not Satisfied With Majority's Opinion"

Matti Jaatinen, who was a member of the Conservative Party's parliamentary group for almost 14 years and its leader last year, agreed after slight hesitation to evaluate the group's condition while pointing out, however, that he does not want to act as a governor handing out advice on current affairs.

Jaatinen stresses that the different opinions as such are nothing new in the Conservative Party group which emphasizes the significance of the individual. Tight spots were also seen from time to time at the beginning of the 1970's, when Harri Holkeri was guiding the Conservative Party behind [Urho] Kekkonen's back.

"But an alarming change has taken place in procedures. Earlier, those left in the minority generally accepted the majority's opinion as the common line of action, when the relative strength was measured.

"Nowadays it seems that people do not agree to accept this democratic model of operation, but rather want to defend their own line of action to the very end. The way they see it, a parliamentary representative's privilege and scope of movement is just as great as the parliamentary representative himself interprets it."

In Jaatinen's opinion there is nothing strange about the fact that different viewpoints are to be found in a large group. On the contrary, they are the group's richness. Differences in point of view are to be found in all the large parties, but....

"When the majority decision has been formed, everyone--or at least most people--should get behind it, that's democracy. The esteem and trustworthiness of the parliamentary group is based, in the final analysis, to a large degree on how clearly it gets the majority's opinion across to the public."

Jaatinen believes that the disjointedness of the Conservative Party's group is influenced by the fact that most Conservative parliamentary representatives do not have a very long tradition or organization. "Many new representatives are individualists. There are more organization activists in the groups of other political parties."

"We Should Begin Practicing Government Responsibility"

In Jaatinen's opinion the importance of unity has to be stressed in a party of individuals as well. "This is also essential for future government arrangements. We live in a time when alternative government arrangements are of

necessity coming under consideration, so that the Conservative Party must be mentally prepared for government responsibility."

Juha Rihtniemi and Harri Holkeri emphasized that we should practice being in government and should make preparations for government responsibility, says Jaatinen.

"That presupposes a parliamentary group considerably more unified than the current one. A group which bears government responsibility cannot be other than clearly unanimous for long."

When the Conservative Party's time will finally come, Governor Jaatinen is unwilling to predict. Many predictions have already gone awry. "But it's time will come, of course. The moods are starting to ripen. At least it isn't tied to the national opinion."

Nor is foreign policy any longer an obstacle to the Conservative Party's suitability for government, Jaatinen assures us. It is useless to search for significant differences in lines of action in the parliamentary group, according to him.

Jaatinen is convinced that government responsibility will automatically close the parliamentary group's ranks, and the causes of dissension will diminish.

In addition he believes that the situation in the group will ease up as the elections recede into the distance. One has to remember that into the Conservative Party group came a noticeably large number of new parliamentary representatives who handed out promises to watchful voters and already had their standpoints fixed beforehand, says Jaatinen.

"In my opinion we are on dangerous ground when in more and more questions we require legislators to assume an either/or stance beforehand. We insist on thumbs up or thumbs down. We can't slice up action and goals into thin pieces, if we want to assure steady development."

"Should Be Able to Have Faith in Party's Word"

During his term as group leader Jaatinen longed for more moderation and more willingness to compromise from those who did not want to submit to the majority's will.

"It is possible, of course, not to try to influence matters. Those in the opposition can choose not to fraternize with anyone, because they don't have the same opinion as we do. But in my view this sort of thing does not suit a great modern party. The Conservative Party cannot afford to place itself between social development and the political action which accompanies it."

It is more valuable to associate with others, strive to influence matters in collaboration with others, try to create a confidential atmosphere, says Jaatinen. "The negotiating partner has to be able to feel that here is a fellow whose word he can rely on."

According to what he says Jaatinen did not really manage to understand the demand for sturdiness from the opposition movement which objects to Suominen.

"What is meant by the sturdiness of a political group? Is it holding yourself straight and standing your ground behind your own demands? Or is it accommodation, cooperation, striving to bring about results more actively and more efficiently than before? Sturdiness as a mere exterior form of existence looks imposing in politics, but as such it doesn't lead anywhere, unfortunately."

"Boys From Party Office" as Swearword

Between the Conservative Party's parliamentary group and the party office on Kansakoulunkatu there is continuously a little tension, something which is difficult to find even in the Center Party or the Social Democratic Party.

Jaatinen considers this tenseness a "crazy affair. Perhaps it derives from the fact that the contacts between many parliamentary representatives and the party office haven't been very close, because the representatives have not necessarily come through the organization."

The parliamentary group experiences the "boys from the party office" in part as a swearword, Jaatinen says and also considers a kind of generation gap to be a partial reason:

"It is felt that the boys from the party office have come directly from schools and youth organizations. They haven't paid their dues in life, which is counted against them."

But in Jaatinen's opinion the critics of the "boys from the party office" should also be able and willing to see that the activity of the parliamentary group and the party office cannot take aim at anything but a common target.

12327

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COMMUNIST CIRPES MEMBERS ACCESS RESTRICTED U.S. FILES

Paris AUTRES MONDES in French 5 Jan 84 pp 3-8

[Article by Yann Moncomble: "CIRPES, Quite a Peculiar Association..."]

[Text] AUTRES MONDES presents for its readers an essay of a special and, in a word, unusual kind in its columns. It involves the description of a very composite organization whose avowed purposes appear to be informational, even scientific, in nature. Examined closely, the various elements that make up the organization seem to be extremely heterogeneous and the common bond that unites them transparent. This article is essentially intended to raise questions as to the coexistence in the same groups of persons some of whom one might believe to be quite different from one another. Are all rapprochements possible in the name of international cooperation? At any rate, one thing emerges with the strength of the inescapable evidence of all these acronyms and this forest of names. While the interests served by such conglomerates turn out to be confused and complex, those that are involved are easy to identify. The first of these is the spirit of defense of those countries where political and economic freedoms are still exercised. It is regrettable to have to acknowledge that the organization we are taking stock of is funded by the taxpayers of this country.

The year 1982 saw the birth of the Interdisciplinary Center for Research on Peace and Strategic Studies, more commonly referred to as CIRPES. Created with the backing of the Ministry of Research and Industry and the CNRS [National Center for Scientific Research], CIRPES has set itself "the mission of systematically exploiting the documents and hearings" issued by the U.S. Congress as well as the specialized Soviet press.

With the aid of CNRS and the House of Human Sciences, this center has been equipped with a computerized system for the classification of titles and elements for the content analysis of certain sources.

CIRPES publishes a periodical news bulletin entitled PAIX ET CONFLITS, created in 1976 by the School for Advanced Studies in the Social Sciences (EHESS) Sociology for Defense group and published with the support of the French Association for Research on Peace (ARESPA), which has its head office at 54 bd Raspail, the same address as the House of Human Sciences and the Center for Studies on the USSR and Eastern Europe.

ARESPA is a member of the International Peace Research Association (IPRA) and ONG [expansion unknown] is a consultant to UNESCO. IPRA is headed by Yoshikazu Sakamoto, a member of PUGWASH [expansion unknown] and codirector of the Institute for World Order — financed by the Carnegie Endowment for World Peace and the Rockefeller Foundation — and by Alain Joxe of PUGWASH.

Within CIRPES we can list a large number of members of PUGWASH, an organization composed of scientists and politicians from all countries, including those of the East, who are interested in arms problems. From the start, PUGWASH was financed by the Canadian multimillionaire, communist Cyrus Eaton, an associate of the Rockefellers and holder of the Lenin Peace Prize, by the Ford Foundation — which also contributes to the financing of the Trilateral Commission — by the Carnegie Foundation, by the Rockefeller Foundation headed by David Rockefeller, which was responsible for the Trilateral and the Council on Foreign Relations (CFR), whose French twin, the French Institute for Foreign Relations (IFRI), has several CIRPES members in its ranks, and by the Academies of Sciences of the United States and the USSR.*

In July 1983 CIRPES published its first issue of CAHIERS D'ETUDES STRATEGIQUES. It benefited from the support of Jean-Pierre Chevenement, the creator of CERES [Center for (Socialist) Studies, Research and Education] and, in 1973 with Alain Krivine and Henri Weber, the leaders of the Communist League, of an initiative committee that also participated in the financing of LIBERATION, of Yves Lancien, responsible for defense matters in the RPR [Rally for the Republic] and a member of the National Defense and Armed Forces Commission, of Jean-Louis Gregorin, the director of the Center for Analyses and Budgets at the Ministry of Foreign Affairs, of Alain Ruellan, the head of ORSTOM [Bureau of Overseas Scientific and Technical Research] and of Jean Maranne of the Communist Party (PCF).

Among the CIRPES projects there is one that gives us an idea of the aims of the organization: the compilation of a computer-organized index of the celebrated hearings of the U.S. Congress and security policy debates of the congressional committees of the two American chambers, which give an account of the questioning to which the generals, directors of the CIA or DIA [Defense Intelligence Agency] and military experts are subjected.

The index to the hearings cannot be consulted, not even in the United States. This clearly means that CIRPES is bent on procuring highly confidential information on American defense data. As far as the Soviet Union is concerned, CIRPES is probably satisfied with [information on] the specialized press. For whose benefit?

The list of CIRPES founding members begins to answer the question for us.

* For more details on these organizations read "The Trilateral and the Secrets of the World Movement," by Yann Moncomble, B.P. 24, 27330 La Neuve-Lyre.

President:

Pierre Maillard: French ambassador, assistant secretary general for national defense (1964-1968), a member of the administrative council of the National Center for Space Studies (1965-1969), France's permanent ambassador to UNESCO as of 1970 and a member of the IFRI administrative council.

Director:

Alain Joxe: An assistant teacher at EHESS, secretary general of ARESPA, whose main office is at the same address as EHESS, a member of PUGWASH (12th, 13th and 16th conferences, 14th symposium), a member of the IPRA board and the board of editors of AMERIQUE LATINE and a signatory of the petitions for the return of AFRIQUE ASIE director Simon Malley published by LE MONDE on 22 October 1980.

Secretary general:

Janet Finkelstein: A member of CNRS and a researcher on the sociology of defense team at EHESS.

Treasurer:

Jean-Pierre Balligand: A National Assembly deputy, a member of the Socialist Party (PS), deputy for the Aisne third district, a member of the National Assembly Finance Committee and a graduate of EHESS.

Board of directors:

Gonzalo Arroyo: The director of the review, AMERIQUE LATINE, the founder of the Chilean Marxist movement, Christians for Socialism (cf CITE NOUVELLE, the Christian Marxist monthly, April 1978), a jesuit, the former advisor to Salvador Allende, a correspondent of the Letter Group, a contact agency for all the Christian revolutionary groups and the Curiel Network, a friend of Casalis and Blanquart and a member of CETRAL [expansion unknown].

Pierre Autexier: Mentioned in "The Second Left" by Herve Hamon and Patrick Rotman, p 298: "Collaborates with Patrice Garnier under the direction of Jacques Moreau, the head of the political department of the CFDT [French Democratic Confederation of Labor] in preparing the orientation report to be presented to the CFDT National Council in January 1978."

Paul Blanquart: A Dominican priest, a member of the Letter Group (68 rue de Babylone), of the board of editors of POLITIQUE HERDO, created by extreme Left activists, a collaborator of CITE NOUVELLE, the Christian Marxist organ, a member of CIMADE (Intermovement Committee for Evacuees) and the Ecumenical Mutual Assistance Service attached to the Protestant Federation of France, on 23-24 March 1968 he participated in a symposium entitled "Christianity and Revolution" along with CIMADE, Brothers of the World, Letter, Social Christianity, Christian Testimony and Growth of Young Nations and he was a delegate to the Havana Cultural Congress in January 1968.

Georges Casalis: A pastor and theologian, a collaborator of the review, SUD-EST ASIE, a promoter at Chili 76 and Letter, a member of the board of directors of AMERIQUE LATINE, a member of the national initiative committee of Red Assistance and of the French Committee in Support of the Appeal of the 13

for the registration of Citizens of the World (March 1968). A promoter of the Christian committees for peace and a member of the Association for the Right to Information (ADI) and a collaborator of the INFORMATION BULLETIN ON SECRET INTERVENTION (BIIC) with Sean McBride, the head of Amnesty International, a member of CIMADE, of the France Land of Asylum Association and of Social Christianity, he supported the Jeanson Network, participated in the March 1968 Christianity and Revolution symposium and in December 1976 was a cofounder of the Action Committee Against German-American Domination in Europe along with Generals Binoche and de Bollardiere and a member of the Committee for Nuclear Disarmament in Europe (CODENE), created in December 1981.

Jean-Paul Charnay: The author of various works on military or Moslem affairs: "The Evolution of Strategic Doctrines," "A General Essay on Strategy" (1973), "Military Society and Political Suffrage in France Since 1789" (1964), "Political Elections in France from 1815 to 1962" (1964), "Islam's Religious Sociology," "Moslem Life in Algeria After the Court Decisions of the First Half of the 20th Century" (1965), a research instructor at CNRS and the head of the CERSC [expansion unknown] Scientific Committee of the Foundation for Defense Studies.

Pierre Dabiezies: The director of the Political Science UER [Teaching and Research Unit] at the Sorbonne, secretary general of the National Higher Institute for Defense and Disarmament Studies (INSED) and a promoter of the Center for Political Studies of Defense, this professor "feels that they have exaggerated Soviet supremacy and that the West is indulging in alarmism" (LE MONDE DIPLOMATIQUE, December 1979). A member of the International Institute for Strategic Studies (IISS) in London, of CEPE [expansion unknown], today IFRI, headed by Thierry de Montbrial, and a member of the Trilateral, in 1961 he commanded the Second Shock Battalion, an SDECE [Foreign Intelligence and Counter-intelligence Service] command unit. A Paris councillor in 1977 on a union of the Left ticket as a member of the Federation of Progressive Republicans, which is composed of leftist Gaullists. He campaigned for Chirac during the first round of the 1981 presidential elections and threw in his lot with Mitterrand's candidacy in the second round. Elected deputy from Paris with the support of the PS, he was unseated and beaten by Dominati in January 1982. A member of the board of directors of the Foundation of the Future, he is a member of the editing committee of the review, PROJET, and of the board of directors of FEDN [expansion unknown], and he has been appointed ambassador to Gabon.

Marc Ferro: The director of studies at the Practical School for Advanced Studies (EHESS cinema and history research group) and a lecturer at the Polytechnical School (1969), the codirector of ANNALES (1970) and one of the editors of MONDE DIPLOMATIQUE (1975). Very close to Marxism, he was always on the fringe of vociferous activities. His chief works devoted to Bolshevism and the USSR appeared between 1967 and 1970: "The 1917 Revolution" and "Soviets in Bureaucratic Communism."

Georges Fischer: A Trotskyite, he was one of the Friends of Trotsky's Widow, who carried on her husband's work in the United States aided by men like Georges Fischer, Max Schachtmann and before that by James Burnham, the author of "The Era of Organizers." He is on the INSED scientific council. A researcher

at CNRS (LE MONDE, 26 January 1975), he was appointed director of research at CNRS (LE MONDE, 18 February 1983). He signed a leaflet, "Zaire: We Accuse," against French intervention (LE MONDE, 4 June 1978), a petition "for the immediate release of all political prisoners in South Vietnam" on 26 January 1975 and the recognition of the PLO on 18 February 1983.

Francois Geze: An economist and signer of petitions for the recognition of the PLO and the return of S. Malley. A member of the board of editors of the review, AMERIQUE LATINE. He has signed a petition for El Salvador (LE MONDE, 3 October 1981).

Edmond Jouve: A jurist and assistant teacher in Paris where, since October 1981, he has been responsible for the annual seminar, "Disarmament, Development and a New International Order." He is on the INSED scientific council and is a member of the board of editors of AMERIQUE LATINE and of EHESS. He has signed an appeal for Argentina (LE MONDE, 2 December 1980), an appeal by French and Israeli university students and faculty against the restrictions on educational freedoms at the Palestinian universities on the west bank of the Jordan (LE MONDE, 28 May 1981), a petition for: "31 October 1981: an international day against the U.S. interventionist policy in Central America" and for the recognition of the PLO (LE MONDE, 26 November 1982 and 31 July 1981)./ [in boldface]

Jean Klein: A research instructor at the CNRS in Paris I, he is responsible for the seminar, "Arms, Control and Disarmament," and in Paris II for the seminar, "Collective Security and Arms Control." He is a member of the scientific committee of the French Institute for the Study of Polemics, which collaborates with CIRPES, and a permanent member of IFRI and PUGWASH (18th conference, third and seventh symposiums). In LIBERATION (24 November 1981) he declared: "The USSR can congratulate itself on the actions of the peace movements, but we cannot say that it has created them." He is a member of the sponsorship committee for Defense and Peace, which shares an address with CODENE, 23 rue Notre-Dame de Lorette.

Yves Lacoste: A member of the board of editors of VIETNAM, a review that publishes information and reflections on Vietnamese realities. He was the signer of an appeal by intellectuals to vote for the PCF as early as the first round of parliamentary elections in March 1978 (L'HUMANITE, 16 February 1978), of an "appeal for the immediate release of all political prisoners in South Vietnam" (LE MONDE, 26 January 1975), an appeal launched by the National Movement for the Support of the Peoples of Indo-China and the Information Center on Anti-Imperialist Struggles with the participation of Yves Letourneur, the initiator in August 1972 of the "appeal against the bombing of dams in North Vietnam." He signed the Larzac Larzac appeal: "We will not leave" (LE MONDE, 24 November 1978) and headed the Association of Friends of the Francois Maspero Press (June 1973).

Leo Matarasso: A lawyer, a signatory in July 1977 of the appeal made by the daily, ROUGE, the organ of the Communist League and a lawyer for Solidarity (Henri Curiel's group). An ex-member of the PCF, he, along with Andre-Weil Curiel (also a Solidarity lawyer), defended the case against Curiel, whose

personal lawyer he was. He is president of the International League for Peoples' Rights and Liberty. He signed the petitions "for the withdrawal of the Israelis from Lebanon" (LE MONDE, 30 June 1982), for Argentina (LE MONDE, 2 December 1980), in support of POLITIQUE HEBDO, 10 January 1977). He is also vice president of the Lelio Basso International Foundation for Peoples' Rights and Liberty (president, Francois Rigaux) and a member of the Peoples' Permanent Tribunal, whose president is still Francois Rigaux.

Henri Menahem: A bank executive, he was elected member of the national council of the Peace Movement at the Chatillon congress (28-30 November 1980) (COMBAT POUR LA PAIX, 1 February 1981). He figures on the 85th list of subscribers "to the defense and development of the communist press": He contributed 200 francs to PARIS 7° (L'HUMANITE, 28 January 1982).

Didier Motchane: A member of the executive bureau of the PS, a promoter of CERES and a member of the ADI council and of the BIIC. In the 12 December 1975 issue of LE MONDE he wrote: "The steering committee of the PS has just urged our federations and local organizations to continue to popularize the demands of the soldier committees, democratically elected by secret ballot in each unit. It will not be indefinitely satisfied with a communique in demanding the immediate release of the soldiers and union members who have been arrested." In October 1978 he signed a new appeal for funds for the newspaper, ROUGE.

Antoine Sanguinette: Along with 200 other leading progressives, the signatory of an open letter demanding the release of attorney Klaus Croissant, a lawyer for the Baader gang, and a member of the ADI-BIIC council. In November 1980 he went to Bolivia on an investigatory mission for Amnesty International of which he is a member. Invited by the Grand Orient Student Fraternity Lodge, on 11 June 1976 he took the floor in closed white dress and spoke on the military problem in France. In 1976 he stated to JOURS DE FRANCE: "I combatted Hitlerism not as a system, but because it was a demon. As for the communist system, I don't know, It's not evil in itself, I accept the communists as objective allies. Better yet, I respect them and I'm glad to see them discover — with no little delay — the virtues of Gaullism." Excluded from the PS in July 1982, he declared in L'UNITE, a Socialist weekly: "It is my adversaries who are spreading the rumor that I have joined the PCF. It's not true; in active military service I would no more commit myself to the Socialists today than to the Gaullists yesterday." He was in Bulgaria in September 1980 when the World Parliament of Peoples for Peace, organized by the World Peace Council, was being held in Sofia. It was at that congress that the Generals for Peace Group, composed of former NATO generals, was created. Connected with the communist group, Senator Nino Pasti, a former NATO general, was also present.

Pierre Rosensthiel: A member of the Social Mathematics Center with its offices located at 54 bd Raspail, at the House of Human Sciences, and a member of PUGWASH (8th, 9th, 10th, 14th and 18th conferences).

Philippe Texier: The chairman of the France-Latin America Committee, he has signed various petitions: against the expulsion of Simon Malley, the director

of AFRIQUE ASIE, for El Salvador and Central America (against American intervention, for peoples' right to self-determination). He was a signatory of the 5 February 1982 appeal: "1 million for Salvadoran resistance" and a technical advisor to the cabinet of Mrs Georgina Dufoix, the secretary of state in charge of immigrants. He participated in the proceedings of the Magistracy Association Congress (LE MONDE, 29 November 1983).

Jacques Vernant: A member of CEPE (secretary from 1945 to 1979), then of IFRI and a member of IISS and IRRI (Belgian IFRI). He is married to Helene Cassin. As his assistant at CEPE, he for some time had Mrs L. Martin-Chauffier, the wife of the journalist of the same name, very close to the PCF. In February 1983 he participated in the founding of the International Center for Peace in the Near East along with the Association of Leftist Jews, the Bernard Lazare Club and Judaism and Socialism, among others. He is a high-ranking member of the House of Human Sciences, the director of studies at EHESS and is a member of the INSED scientific council and the Institute for the Study of Polemics. He has signed one petition: against UNESCO's refusal to include Israel in a specific region of the world (October 1976).

Paul Virilio: The director of the Special School of Architecture and in 1973 a signatory of an appeal demanding abrogation of the decree dissolving the Communist League. He was a member of the sponsorship committee for the association, Defense and Peace, whose headquarters is at 23 rue Notre-Dame de Lorette, the same address as CODENE's, and is on the staff of the review, ESPRIT. He subscribes to the tenets of the GIA (Group for Information on the Army), founded in 1973 by the deserter, Bernard Remy (in "The Man in the Barracks" by Bernard Remy, Fr. Maspero Press, 1975, p 100).

Contact with the outside is assured by the following consultants:

Ulrich Albrecht: German, a member of PUGWASH (20th and 21st conferences), of the London IISS, a professor in the Political Sciences Department at the Free University of Berlin, supported by the Ford Foundation and which has become the crucible of the student revolution. Since 1981 Professor Albrecht has given courses to the squatters of Berlin's Kreuzberg. He is the director of the Military Policy Study Group in the Study Group for Research on Peace and Conflict.

Richard Barnet: American, a member of the staff of Princeton University, he has worked at USACDA (U.S. Arms Control and Disarmament Agency). He is a member of David Rockefeller's CFR, a professor at the Harvard Center for Soviet Studies, the cofounder of IPS (Institute for Policy Studies), an organization of the American Left supported by the big foundations, and a member of IPI (In the Public Interest), an information agency for the Fund for Peace and its three research centers: Admiral Gene Laroque's CDI (Center for Defense Information), CNSS (Center for National Security Studies) and the Institute (now Center) for International Policy. He participated in the campaigns against the pursuit of fighting in Vietnam and for the withdrawal of support for South Vietnam. In the ACT (Arms Control Today) bulletin of June 1982 Barnet called for a "new version of the Rapacki Plan which in 1958 proposed the constitution of a denuclearized zone in Central Europe." According to him,

"Soviet superiority in tanks does not constitute the military threat that some people want to see in it."

Fabrizio Battistelli: Italian, a Communist, he heads the Archives on Disarmament, on whose council Christian Democratic, Communist, Socialist Left, PDUP [Proletarian Unity Party], independent Left and Catholic parliamentarians sit alongside one another. The Archives on Disarmament is in contact with Monsignor Bettazi's Christ's Peace, the review, ASTROLABIO, and the Study Group on Arms and Disarmament of the Catholic University of Milan.

Richard Falk: American, a professor of international law and practice at Princeton University and a member of CFR, the Fund for Peace, IPI and the Center for International Policy. Along with Saul Mendlowitz (a CFT member), he has published the work, "World Peace Through World Law," whose authors (in 1966), Louis B. Sohn and Grenville Clark, were CFR members. This work is the bible of the Universal Movement for a World Confederation and for three-quarters of the world government movements throughout the world. He is the author of "The Strategy of World Order" (with Saul Mendlowitz, 1966), "Regional Politics and World Order" (1973) and "A Study of Future Worlds" (1975).

Johan Galtung: Norwegian, he teaches at the Institute for Development Studies in Geneva. He is the director of the United Nations University (Geneva), the founder and first director of IPRA in Oslo, PUGWASH's transmission belt, the founder and president of the World Future Studies Federation, the director of the Dubrovnik Interuniversity Center (Yugoslavia) and a member of PUGWASH (12th, 13th and 15th to 19th conferences). A member of the sponsorship committee for Defense and Peace, which shares an address with CODENE, he participated in CODENE's appeal of 1 February 1982 at the Mutualite. He was president of the Norwegian branch of War Resisters International, an expert at Havana University as of August 1972, a member of the steering committee of the International Associations Union (UAI), created in 1910 with 132 international associations (including the Interparliamentary Union, the International Peace Bureau, the International Association of Chemical Companies,...) and financed by the Carnegie Foundation. He collaborated with WOMP (World Order Models Project), created in February 1968 under the direction of Saul Mendlowitz (the director of the Institute of World Order, which became the World Policy Institute in 1982) and financed by the Carnegie Endowment for International Peace and the Rockefeller Foundation. He is the author of "The True Worlds: a Transnational Perspective" (1980), "The European Community: a Superpower in the Making" (1973) and "Cooperation in Europe" (1970). With his wife, of Japanese origin, Fumiko Nishimura, he wrote "Learning from the Chinese People" (1975). In his work, "The True World" Galtung feels that "the Nobel Peace Prize Committee could have had the courage to give the prize to Daniel Ellsberg for having exposed the Pentagon documents": "Ellsberg's role was a new peace-strategic role, and mobilization of all the Ellsbergs of the world would be a rewarding as well as an important task..." (p 240). He took part in the conference on "quality of life," organized at Oberhausen to examine the Club of Rome's Meadows report (1972) in a socialist perspective ("What Limits: the Club of Rome Replies," p 145). He was to participate in the demonstrations ending in Paris from 6 to 9 August 1981, the "81 March for Disarmament," which was begun in Copenhagen on 6 June 1981.

Fred Halliday: British, an orientalist and member of IPS, he is on the editorial staff of the NEW YORK LEFT REVIEW. He is the author of "Arabia Without Sultans" (London 1979) and "The USSR and the Arab World" (Paris, 1982, Collection Actuel, published by Sycomore).

Mary Kaldor: British, University of Sussex, a fellow of the Science Policy Research Institute, a member of IISS, SIPRI (Stockholm International Peace Research), MIT (Massachusetts Institute of Technology) and the steering committee of SPRU (Science Policy Research Unit). She is the cofounder of END (Campaign for Nuclear Disarmament in Europe), which claims to be a coordinating agency and cooperates with the Bertrand Russell Peace Foundation and CND (Campaign for Nuclear Disarmament), headed by Monsignor Bruce Kent and composed of communists, leftists and Labor Party members. END is working for a sort of "libertarian and pan-European socialism." She is also the author of an article entitled: "Beyond No First Use: What the Peace Movement Really Means," THE NATION, 26 June 1982. She is a member of PUGWASH.

Michael T. Klare: American, a member of IPS-Transnational Institute, the author of "War Without End" (1972) and coauthor of "Supplying Repression: U.S. Support for Authoritarian Regimes Abroad" in IPS STUDIES of October 1981. She was a lecturer at the IPS School for the spring 1983 session, devoted to the theme, "Intervention and Revolution." She was a promoter of NACLA (North American Congress on Latin America).

Peter Lock: A researcher at the Rustung Study Group and the Underdevelopment Institute for Research on Peace and Security Policy, in Hamburg.

Robin Luckham:

Julian P. Robinson: British, University of Sussex, a fellow of the Science Policy Research Institute, the author of "Should NATO Keep Chemical Weapons?" and a member of IISS.

Bert V.A. Roling: A Netherlander, a doctor of law, a professor of international law at the University of Groningen and director of the Institute for the Study of Polemics, a member of IISS, a corresponding member of the French Institute for the Study of Polemics, a member of PUGWASH and the SIPRI steering committee, and the cofounder of IPRA, founded on 1 December 1964 by the "Pugwashists" and of which ADI is a member. As one of the founders of Research on Peace in Europe, Roling is engaged in research on "nonoffensive" military systems. A former judge of the Netherlands' Special Supreme Court for War Criminals and of the International Military Tribunal for Western Europe and a participant at the International Congress of Jurists: Athens (June 1955).

Yoshikazu Sakamoto: Japanese, professor at the Faculty of Law of the University of Tokyo, director of the Japan Peace Research Group, codirector with Saul Mendlowitz of the World Policy Institute (ex-Institute for World Order), financed by the Carnegie Foundation and the Rockefeller Foundation and a member of PUGWASH (26th conference, 25th symposium in Kyoto).

John Saxe-Fernandez:

Dieter Senghaas: West German, the author of an article, "Peace Research and the Third World," which appeared in the BULLETIN OF PEACE PROPOSALS (4/1975). In collaboration with J. Galtung, he wrote "Can Europe Disarm?" (1973). He is the director of the Berghof Foundation for Conflict Research in Munich and a professor at the University of Bremen. He attended the 25th PUGWASH Movement Symposium in Kyoto in 1975.

Dan Smith: British, a researcher at the Richardson Institute for Conflict and Peace Research (Lancaster) and a collaborator of Mary Kaldor.

Marek Thee: Norwegian, the editor of the BULLETIN OF PEACE PROPOSALS, research director at IPRI in Oslo and a member of PUGWASH (sixth conference).

Agusto Varas: Chilean, the author of "Militarization, the Arms Race and Military Expenditures in Chile, 1973-1981" (Flacso, Santiago, 1982). And lastly, Pedro Villanova.

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CSO: 3519/264

BRIEFS

ESTIER, 'FRANCE-USSR' LINK—Following the Socialist Congress in Bourg-en-Bresse, Claude Estier, the director of the sole official organ of the PS [Socialist Party], L'UNITE, was confirmed chairman of his party's steering committee last year. We otherwise know that Claude Estier exercises important responsibilities in the France-USSR Association and in the France-German Democratic Republic Association. He does not particularly like to be publicly reminded of his national presidency in these organizations and we rarely see him show himself off in a spectacular manner. That is, nevertheless, what has just happened. The first editorial for 1984 of the magazine, FRANCE-USSR, the association's monthly, was signed by him and adorned with his photo. Under the title, "Pursuing the Dialogue," C. Estier utters a few cautious generalities, covering himself with a quotation from the president of the republic. Nevertheless, the signature of this Socialist leader (who heads the National Assembly's Foreign Affairs Committee) in FRANCE-USSR may be interpreted as a sign of the progress of the Franco-Soviet discussions going on at various levels. [Text] [Paris AUTRES MONDES in French 26 Jan 84 p 15] 11466

CGT APPROVES LAROUSSE IDEOLOGY—The Larousse Dictionary is practically an institution in France. It is, therefore, not surprising that the CGT [General Confederation of Labor] staff bimonthly, OPTIONS QUINZAINE, devotes a page to it in its 23 January issue. On the other hand, the content of this page goes beyond the limits of the study of "social phenomena" to enter into that of a recovery that is more political than trade-union. Right from the subtitle, one notes that there are dictionaries and dictionaries: "Pierre Larousse wanted to make of his encyclopedia an instrument of justice and democracy. His successors are following him down this path." And following that we may read an unequivocal declaration: "A training tool but also an instrument of combat, the encyclopedia is not neutral and it has an important ideological function. It can also be dangerous." Now what is the ideology "suggested" by Larousse that merits the praises the CGT bestows on it? If it is not "dangerous" by the standards of Henri Krasucki's organization, is it in other respects "innocent"? [Text] [Paris AUTRES MONDES in French 26 Jan 84 p 15] 11466

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COOPERATION EFFORTS BETWEEN CPN, OTHER LEFTIST PARTIES

Zurich NEUE ZUERCHER ZEITUNG in German 4 Feb 84 p 4

[Article by T.H.: "Changes in the Dutch Leftist Parties. Search for a New Line"]

[Text] Brussels, 2 Feb. A vehement discussion of basic political orientation is now going on within the small leftist parties in the Netherlands. Confronted with the fact that they will not be able to regain terrain lost since their resounding defeat in the 1977 elections and that their number of members will at best stay the same, the Communist Party [CPN], the Pacifist-Socialist Party [PSP] and the Political Party of Radicals [PPR] are attempting to draw conclusions from the changed social and political realities and to find a way out of insignificance.

All three of the parties are represented in parliament, the PSP and CPN with three representatives each and the PPR with two. Under the influence of various movements outside parliaments which have led to closing the gap in standpoints between these philosophically very different groups and in view of the weakness of the individual organizations, movements have arisen in all three parties which are working towards close cooperation or even organizational merger. Two weeks ago the first convention to investigate the possibilities of cooperation took place. However, the convention only ended with the formation of a foundation called "links doorbraak" [leftist breakthrough].

Although the trend toward increasing cooperation is unmistakable, in all three of the parties the forces which speak out against giving up their individual identity are in control. Within the PSP that is the case with a group which does not want to water down its ideological fundamentalism with pragmatic politics and even refuses permanent cooperation on the left with the long-range goal of participation in the government for the reason that, in its opinion, the exercise of power can only corrupt. This group wishes to leave the implementation of concrete reforms up to the socialdemocratic Labor Party [PvdA]. This opinion is widely shared by a second group, which views the task of the PSP to be largely the support of marginal groups in society.

The supporters of "links doorbraak" do not have a majority in the PPR either. They are countered by a group close to the ecological movement which regards the relationship between man and nature as a crucial theoretical point. According

to this viewpoint, the PPR should become a kind of "green party" (which does not yet exist in the Netherlands) which could attract voters and members from the political center and therefore would prefer not to be assigned to the same category as the traditional left. The supporters of a fusion of leftists conclude that basic social change which can only be achieved in a mutual effort with the other parties is necessary to attain goals of peace and environmental policy.

Communists Undergoing Crucial Test

The Communist Party is undergoing a crucial test which may lead to fragmentation. The disagreements between a group of "reformers", who no longer see a justification for the existence of a separate communist party, yet do not wish to split off, and the "horizontalists", who are inspired by the ideal of a marxist workers party, have hardened the battlefronts to such an extent that the centrists are having a difficult time keeping the party together as an independent political force. Decisions about the direction to be taken in future are to be made this weekend at a party convention which, after months of discussion, is to adopt a party platform. The draft of the statement of principles documents their attempt to no longer define the organization primarily as a workers party, but nevertheless to maintain a revolutionary profile.

The discussion about revamping the party began with the defeat in the 1977 elections, which cut the size of the communist delegation in parliament in half. The president at that time, Paul de Groot, was not successful in his attempt to place the blame for the debacle on the overwhelming influence of the intellectuals. Instead, the views of Henk Hoekstra, whose efforts to reform the party had been kept in check until then, began to prevail. Hoekstra's thesis that the party had become rigid and more and more remote from those groups whose interests it claimed to represent set off a debate, not only about the future course of the party, but also about the ghosts of the stalinist past. After lengthy disputes, some of which are reminiscent of a fervent attempt at self-purification, the proposed platform attempts to delineate a framework for action which is different from the familiar patterns of eurocommunism.

Four guiding principles are to be found in the proposal: the outline for a policy of a coalition on the left with renunciation of any claim for exclusive representation or for leadership by the communists; a democratic route to socialism, which is described with the adjectives parliamentary, pluralistic and free of any ideology about form of government; the plurality of basic theoretical foundations within the party; and efforts toward peace and a neutral foreign policy in the Netherlands.

The proposal demonstrates the departure from the marxist-leninist past. Reference to a single, not to mention scientific, world view is abandoned; in its place, various sources are cited, including marxism as well as anti-fascism, traditional humanistic concerns and feminism. The caucus leader, Ina Brouwer, one of the centrists, stresses the fact that marxism can give no answers in issues such as colonialism, womens liberation and the structure of

democracy. In her opinion, such answers are to be given not so much by the CPN's proposing new ideas on paper, but by its opening itself politically to new social movements. According to Ina Brouwer, the tragedy of the communist parties is that they did not understand in time how to be receptive to economic and cultural developments which continued to change the social basis which the communists considered their calling. She believes that such rigidity cannot be eliminated by reformulating sterile class definitions; instead, it is necessary to recognize that there are different groups of workers who must have modes of expression at their disposal. In her opinion, any kind of hierarchical thinking or fixation on a ruling class simply misses the mark.

Coalition Politics

The next logical step in this line of reasoning is "leftist coalition politics", not in the sense of an alliance of parties, but of cooperation of social movements and leftist organizations over as long a period as possible; the role of the parties is to guarantee political continuity and to introduce initiatives from outside parliament into the legislative process. During the civil servants strike in November 1983, forms of cooperation among groups ranging from the CPN to the unions came about at the local level which still remain stable. Such joining of efforts apparently is a long-range goal of the centrists. In practice, they thus agree with the orthodox communists, who have a much friendlier attitude toward social democracy and the unions than do the radical reformers. In working out their theoretical foundations, the centrists can rely more on the reformers; in formulating a policy of alliance, on the other hand, they are closer to the orthodox communists, who in turn resent their critical detachment from the Soviet Union. At any rate, all of the wings of the party will have to give in on various points at the party convention unless the CPN is to fall apart.

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CSO: 3620/164

DEN UYL, BOLKESTEIN ON LIBERALISM, SOCIALISM

Bolkestein on Welfare State

Rotterdam HET VRIJE VOLK in Dutch 2 Mar 84 p 4

[Article by Frits Bolkestein, VVD secretary of state for economic affairs: "Welfare State Makes Us Less Free and Poorer"; passages enclosed in slant-lines printed in boldface]

[Text] Liberals and socialists: what binds them, what separates them?

Is a "rightwing" economic policy the best guarantee to be able to be "leftwing" in terms of personal freedoms? Does a leftist economic policy inescapably lead to ever more state influence and hence to disenfranchised, unfree citizens? The liberals think so.

The social democrats on the other hand argue that a broad freedom of enterprise is precisely what leads to an increasing lack of freedom for large groups of people. Because in that case the gap between the economically weak and the economically strong becomes ever wider.

Now that things are bad economically, this in itself traditional discussion is given increasingly more attention. Worn out simplifications and misleading cries are surfacing again: "Earning money can only be done in a rightist manner; on the left this means giving up personal freedom." The economic crisis has also sown confusion on the left. Look at the divisions within the union movement.

The liberals skilfully play on every doubt. Especially VVD [People's Party for Freedom and Democracy] Secretary of State Frits Bolkestein (Economic Affairs) is turning out more and more to be the ideologue his party has lacked for years. This philosopher and jurist feels that "the socialists are inconsistent in not recognizing the combination of the concept of 'leftist' and 'rightist.'"

HET VRIJE VOLK feels that it is high time to fight this conflict with equal weapons. Hence: arguments against arguments. At our request, Bolkestein put his views on paper. After which we asked opposition leader Joop den Uyl to take up the challenge. The ideologue of the social democrats needed fewer words for it. But Bolkestein can still be moving. According to Den Uyl, in the year 1984 the liberal inheritance would be better off in the hands of Dutch social democracy.

Anyone who superficially follows the political debate in the Netherlands could feel that it is dominated by a single major opposition: the opposition between the liberals and the socialists. It is my position that the debate between liberals and socialists involves means and that we agree on the goals. Our views are different in terms of means and possibilities.

I will explain why I believe that socialists are in fact nothing more than liberals who misjudge a single aspect of human weakness. They think that the state, as an organ of the community of men, is the suitable instrument to destroy the evil and achieve the good within that community: the society of free and enfranchised people who participate in the government in an independent and controlled manner. Liberals look more to the individual, to the free person.

This sketching does not do justice to the many nuances. The socialists do not want the state to oppress the people; the liberals do not want to return to the minimal night watchman state. Nevertheless, for the sake of clarity in the discussion it can be said that socialists and liberals have an optimistic image of man -- that is what unites them as against, for example, a Calvinist policy -- but that the socialists have an optimistic image of the state as against the pessimistic image of the state held by the liberals.

Liberals distrust the state; socialists do not. Is it possible to trust people individually while distrusting the state, which consists of those people? The Romans already had a saying which provides an answer to this: "Senators are good men, but the Senate is a bad animal." The question arises whether, vice versa, an optimistic view of man really can be reconciled with an optimistic view of the state, in other words whether modern socialism does not suffer from internal contradictions.

Constitutional Rights

Let us limit ourselves first to constitutional rights. There is a distinction between the so-called traditional or civil rights -- freedom of expression, of association and meeting, etcetera -- and the so-called social rights. These are not so much rights of the citizens as obligations imposed on the state. The state must make an effort to protect the citizens from poverty and unemployment. In other words: one distinguishes between the "traditional" freedom /to/ from the "social" freedom /from/.

Liberals have always stressed the freedom /to/, socialists the protection against, hence the freedom /from/. It is true that one needs a minimum of material benefits to be able to enjoy the traditional rights. Diogenes was a free man, although he lived in a barrel, but that is very uncomfortable. What is the use of the freedom to sleep under bridges, one might rightly ask.

However, what do we see when we consider the truth? All democracies are prosperous; everywhere where private entrepreneurial production was eliminated, this also meant the end of civil rights. Vice versa, the elimination of civil rights and freedoms leads irrevocably to a deterioration of economic prosperity. Hence, the most important political recipe for economic prosperity is to maintain the traditional rights and freedoms and to ensure a good judicial system and administration.

The country where one is put in the right when one is right is a prosperous country. The traditional rights necessarily go before, precede, the social rights. The former are primary rights; the latter follow. It is only in a prosperous community that the government can assume social obligations.

And then one should not point to Latin American countries which combine major social injustice with a kind of private entrepreneurial production. As a matter of fact, what is characteristic of those countries is that they do not respect civil rights. Consequently, they do not get anywhere economically speaking.

Merits

Back to the Netherlands. Nobody will deny the enormous merits of socialism. Supported by the prosperity creating resources of a liberal production system, socialism inaugurated the welfare state, in which it was followed in the social and political areas by liberalism. (As a matter of fact, I think that the psychological influence of socialism, that is to say the emancipation of the workers, was more important -- but more about that later on.)

Now, the welfare state is determined by two characteristics: a propensity for being provided for and a striving for equality. Both play a major role in the Dutch welfare state. However, when they are pushed too far these tendencies boomerang. The propensity for being provided for leads to playing safe, takes the stretch and flexibility out of society and represses impulses toward renewal. Hence, there can be no adjustments to new challenges. Society, and especially the economic system, calcifies.

Thus, protection ultimately leads to weakening. It is an example of what is referred to as the Law of the Self-destructive Desires. Striving for an ideal often carries along so many bad additional phenomena that the ideal itself is blocked.

The same is true for the striving for equality. People are and remain unequal. Excessive zeal to accelerate the minds of those who excel will keep them from developing those initiatives which would not only make them better, but which would also be indispensable for society as a whole.

In addition, there is the fact that this task, the apparent equalization of the citizens, must be carried out by the government. But the government officials who direct this operation are, because of their power, by definition unequal to their subordinates. Ultimately then we end up with a paternalistic government and a boarding school economy: the citizens receive services, from maternity care to care at death, whether they want them or not, plus some pocket money.

Deterioration

One could summarize the above as follows: stability at the micro level leads to instability at the macro level and vice versa. That sounds complicated, but it is not. Where individuals have too much personal security, society deteriorates and becomes unstable.

Conversely, a stable, growing, flourishing society requires that people be willing to take risks in their personal lives.

It is like a glass of water. As long as the molecules can move, the water can take on the shape of the glass. When it turns to ice, so that the molecules become stable with regard to one another, then the form no longer adjusts itself.

If our society wants to be sound in the long run, then we will have to consider a certain degree of risk and also toughness at the level of the individual as acceptable. Some social measures ultimately undermine their original goals. Social then becomes a-social.

There can be little doubt that those who want the continued existence of the welfare state in its present form, break it up in the long run. We will have to prune in the forest of the welfare state. That means that on a number of points we will have to say: the people will have to take this risk themselves; they will have to contribute this benefit; this is no task for the state but for the citizens themselves, for their neighbors and their families.

The state has to learn to stay out of a number of areas. That is a difficult task for politicians because they have learned to prove that they are there, but pruning is inescapable. To the extent that the socialists strive for the expansion of state influence -- and at least until a short while ago this was certainly the case -- they are preparing the powerless state for their grandchildren. As a matter of fact, the resources are running out. That is their first internal contradiction.

Contradiction

In addition there is a second contradiction. The rule lovers in the government are only perfectionists, each more than the other. Every rule has in and of itself its own justification, because government officials are intelligent people. However, new rules have diminishing returns, and eventually even negative ones. Every new rule produces less social return than the previous one.

But, without notice to the contrary, the government apparatus will continue to produce new rules and refinements until the end of time. The overall result is that nothing is possible any longer and that every initiative suffocates. This is why liberals have a pessimistic image of the government. Every government must be viewed with distrust. If the socialists expect that the government can still contribute to human freedom, then they are throwing dust into their own eyes. (This can now be maintained only with regard to minorities.)

Something similar applies to another socialist ideal: decentralization. One of two things: either one wants a strong centrally coordinated government or one does not. You cannot blow the horn of decentralization and at the same time keep talking about government influence. One can decentralize only if one eliminates or at least clips the wings off certain government tasks with infinite decisiveness.

In a certain sense the opinion I am stating here is based on a Marxist analysis. I am referring to the position that the economic substructure determines the political and social superstructure. The stronger the grip of the state on economic life, the stronger its grip will also be on political and social life. And hence, all the smaller the playing room for the citizens.

It may seem strange that a liberal politician uses a Marxist way of thinking. However, Marx formulated a number of penetrating sociological insights, even though he represented little as an economist and predictor of the future. In any case, for those who do not remain stuck in it the school of Marxism is a proven remedy against superficiality.

Disadvantages

The welfare state also produces disadvantages at the European level. The more similar state intervention, the more rules have to be harmonized at the international level. Successful international mergers, such as Shell and Unilever, came about in a period of low government influence. Modern forms of cooperation, such as Fokker-VFW (Fokker United Aeronautics Works) and Blast Furnaces-Hoesch, all failed.

However, Europe needs international cooperation very badly in order to be able to withstand American and Japanese competition.

I have already stressed the emancipating influence of socialism. The psychological gains of the welfare state are at least as important as the economic ones. Nobody who remembers how great the gap used to be between bosses and subordinates, or between professors and students, would want to return to those relationships. However, it looks as if the emancipation movement has brought along some social crudeness.

For some people, "doing your own thing" means that they no longer must do anything and that everything is allowed. Freedom must go together with civilization and must be restrained by feelings of responsibility and tolerance, by self-control and good manners. The optimistic image of man held by both liberalism and socialism probably needs to be somewhat corrected in this

respect. It does not seem to be absolutely self-evident that freedom leads man to socially acceptable behavior.

Let us return to my argument about the opposition between the socialist and the liberal social recipe. In time, the expansion of state influence leads to an ungovernable and powerless state, to citizens who are neither enfranchised nor free, to centralization and to economic impoverishment.

Those are the internal contradictions of modern socialism. Furthermore, the welfare state hampers European integration -- because of the development of rules which are ever more difficult to harmonize. This is why the liberals are currently striving for the depoliticization of society, which means that the state must take a step backward and that the individual citizens must be encouraged to take steps forward and to take risks. Only a society in which the citizens are willing to do this, can hope to recover.

Rebuttal by Den Uyl

Rotterdam HET VRIJE VOLK in Dutch 2 Mar 84 p 4

[Article by Joop den Uyl, parliamentary party leader of the PvdA: "Without Controls, the Weak Are Crushed"]

[Text] Bolkestein's article is worthwhile because it clearly shows what drives the current government coalition besides "concern about the financing deficit." This comes down to:

1. a reduction of the personal security of individual people and
2. the government must withdraw and leave more to the citizens themselves;
3. the welfare state must have its wings clipped and private economic powers must be given more elbow room.

First something about the philosophy behind it.

Liberalism is a product of the 18th century. It is closely related to the period in European history which we call the Enlightenment. During this period, an optimistic view of man and belief in reason dominated. From there developed the idea that society "in freedom" will grow into the happiest of all worlds. Liberalism broke with the conservative order in which authority is regulated from above and the citizens have only derived rights.

Socialism appears in European history after liberalism. It has resistance against the class state and standing up for the rights of the individual in common with liberalism. But it does not have an optimistic view of man, as Bolkestein wrongly believes. On the contrary, it is based on the observation that without distribution and control of economic and political power, the capital owners exploit the workers and the strong crush the weak.

Mistake

Socialism does not hold with an optimistic view of the state either. Bolkestein's second mistake. The opposite is the case. "The state oppresses, the law is lies," can no longer hold true in its generality.

Democratic socialists are constantly busying themselves to limit the power of the state and to strengthen private organizations which organize the weaker (unions, cooperatives, some action groups). The sin of communism was capitulation to the state power of the Soviet Union. This is why socialism and communism exclude one another.

In the social reality liberalism has begun to lean much more heavily on the authority of the state in all kinds of areas, whereas the socialists have done their best to strengthen counter-forces. In the process of democratization and decentralization, which was put in motion in the sixties, the liberals played a decentralizing and deterrent role.

The current administration also takes tough centralist actions (discounts on social benefits), lets decentralization go to pot, conducts negotiation democracy, and has weakened the position of the unions. Liberalism has become conservative.

Socialism is indeed characterized by emphasis on equality. People are and remain very unequal (fortunately), but the conditions under which they live and work should in principle be equal: because everyone has an equal right to life. The social welfare state makes a contribution to this.

Correction

The form under which this occurs is open to correction. But I am directly against Bolkestein when he feels that the personal security of the people is too great. How blind must the person be who believes this. The crisis and mass unemployment, nuclear arms and the growth of criminality have made existence unsafe and uncertain. The inequality between those who have jobs and the unemployed, between people who manage to increase their income and those who have to cut their income, between those who have to pay high interest rates and the owners who receive high interest rates has greatly increased.

Those for whom the most important lesson to be derived from the crisis is that less planning is necessary and more freedom is necessary to form mammoth enterprises, contribute to the power increase of a few and the powerlessness of many.

The tragedy of liberalism, especially in our country, is that the sincere concern for individual freedom is snowed under by halfway conservative notions: keep the government strong and parliament docile, return to the neighbors and the family, the depoliticization of society.

Roots

Socialism and liberalism have common roots, true, but the disturbing thing is that in our country we have two half-conservative parties (the CDA [Christian Democratic Appeal] and the VVD), but no full-fledged conservative party and no full-fledged liberal party. This compells Dutch social democracy with its strong liberal democratic input, to watch over the liberal heritage.

The government can and must contribute to human freedom.

It is on the basis of this that socialists judge government regulations and government actions.

This is why it is possible to work with the liberals in the VVD, but not with the conservatives.

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CSO: 3614/56

POLITICAL, ACADEMIC MECHANISM FOR PROMOTING CATALAN CULTURE

Madrid EL ALCAZAR in Spanish 23 Mar 84 p 10

[Text] Promotion of the Catalanian culture in the Valencian region by self-governing and local authorities has from time to time roused a strong movement of popular opposition to the cultural colonization considered by some groups as a first step toward other forms of integration proposed by pan-Catalonianism.

Along with the reiterated protests of citizens' associations in the political sphere is the Valencian left which has gained the following of the Catalanian line that began to emerge during this century at the prompting of the Catalanian bourgeoisie. For its part, the People's Group of the Autonomous Parliament has shown its opposition to measures such as the recent law of the Usage and Education of the Valencian, based on which one determines the obligatory nature of a language not recognized by the Academy of Valencian Culture itself and, as we were told by Deputy Joaquin Santo, "we have been requesting that the Council on Culture and Education clarify its ambiguous attitude, to which one must not respond in an evasive manner because on the one hand, they claim to defend what is Valencian and on the other, they do not condemn Catalanian excesses that use freedom of expression as their basis."

Aside from the problem created by the teaching of the language, another type of pro-Catalonian cultural activities is channeled through municipal governments and deputyships, which in the very corporation of the capital of Turia resulted last week in the presentation of a motion, rejected by the socialist group, in which the opposition group asked for the withdrawal of subsidies to specific cultural events and the resignation of the delegate from the area for his continuous line of action in that direction.

Language Not Valencian

The language approved by the Council for use and to be required in education is based on the so-called "Standards of Castilian" of 1932, which is not the one traditionally spoken in the region and which is not the version accepted by the Academy of Valencian Culture, which has concerned itself with publishing the texts and grammar books considered to be correct. The language officially approved as a dialectal variation of Catalan, with minimal discrepancies and required in schools, is creating serious difficulties, even in families that speak Valencian.

The Law on Usage of November 1983, already in effect this year, has defined the Valencian territories based on criteria on which not everyone agrees. For example, as Deputy Joaquin Santo points out, "the city of Alicante, which speaks Castilian, has been included in the Valencian-speaking region. Consequently, we were demanding that at least instruction in the language should not be required, but elective. This has created a double problem because children from families that speak Castilian have to learn this language against their will and in addition, children of those who speak Valencian are learning a language that is not what they speak at home either, but rather, a Catalanian variation. This law is very controversial because there are parents who prefer that their children, if they have to learn another language, learn one that is at least international."

According to statistics, the Alicante region has a population only 12 percent of which speak Valencian and in areas where its tradition has been continued, in Valencia or Castile, there are few regions where 30 percent of the inhabitants speak Valencian.

For academician Xavier Casp, the so-called Standards of Castilian were originally a few guidelines for adapting Catalan to the Valencian spelling proposed by the Institute of Catalan Studies "and it is a covert way of introducing the culture which, although not specified by the Statute of Autonomy or the Law on Usage and Education itself, it was the Council that passed these standards for textbooks and the official use of the language." The Academy has responded by drafting other texts that have been chosen by private schools, but the public schools should follow the program of the Council on Culture and Education. "We are moving toward a linguistic disaster," we were told by Xavier Casp, deputy from the Valencian Union, "because the language will change with every change in autonomous government, for if we win the next elections, we shall naturally adopt the Academy's program."

Another center of promotion of Catalanianism is the School of Philology of the University of Valencia, where, despite opposition on the part of many students, one is forced to admit that Valencian is a Catalanian language and the certificates of pedagogical aptitude issued by the ICE [expansion unknown] for the training of teachers depend on the teaching of Valencian as a dialect.

Support of Socialist Municipal Governments

Other pro-Catalonian cultural activities are channeled through local corporations. Autonomous authorities themselves have not been afraid to preside over or participate in events, along with the four-stripe banner or in which an open apology is made for the entity of Valencia as a Catalanian country.

The next Meeting of Mediterranean Writers to be held in the regional capital, sponsored by the municipal government, has resulted in a motion by the Popular Group against the lieutenant mayor and delegate for culture, Vicente Garces, who has allocated 10 million pesetas for this match and has entrusted the municipal representation to two well-known pro-Catalonians. The three-point

motion asked for the withdrawal of the subsidy, revocation of representation from Quiralt and Piera and the resignation of the edile in charge, but they were rejected by the socialist majority.

Despite the fact that these points were not accepted, the people's spokesman, Martin Quiros, told EL ALCAZAR that "Mr Piera specifically made certain statements to the daily newspaper AVUI in which he took responsibility for introducing Catalanian culture into Valencia."

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COUNTERESPIONAGE SERVICE DIRECTOR ON DIPLOMATIC INDUSTRIAL SPYING

Stockholm DAGENS NYHETER in Swedish 26 Mar 84 p 5

[Article by Rolf Stengard and Kjell Lofberg: "Increasingly More Diplomats Here in Order to Spy"]

[Text] Foreign espionage aimed at Sweden is constantly increasing. The number of diplomatic officials who are active purely in intelligence, against Swedish companies, among others, is growing.

This was revealed by Sapo [Security Police] chief Sven-Ake Hjalmoth in a DAGENS NYHETER interview. Many diplomats do not act as diplomats normally do, he says.

While the resources of foreign powers for espionage against the Swedish defense are kept relatively constant, increasingly more people are being concentrated to industrial espionage in Sweden.

According to the chief of the security section of the National Police Board, it has in recent years been possible to determine that the number of identified intelligence people has risen.

"They come here under 'diplomatic cover,' Hjalmoth says. "But they do not act as diplomats."

"One could say that the diplomats have been given new roles."

Sensitive Industries

The increase in espionage against Sweden is primarily aimed at companies active in especially sensitive branches of industry. This means above all advanced technological research and development of technology.

Hjalmoth mentions computer technology, telecommunications, microelectronics, industrial robots, manufacture of specialty steel.

"There is a great deal in Swedish industry that is interesting," the Sapo chief says.

Traditional military espionage has been supplemented by purely industrial espionage. And also by a political espionage, in which many different pieces of information are compiled for the purpose of finding out about the internal conditions and capabilities of the entire country, Hjalrnth states.

Military and Civilian

Nearly all industrial activity which includes advanced technology is interesting to a foreign power. This applies to companies both in military production and in strictly civilian production, according to Sven-Ake Hjalrnth.

Sweden has expelled Soviet diplomats in a few incidents which attracted attention. The most recent case took place just before Christmas last year, when three Soviet citizens were asked to leave the country.

According to reports from the National Police Board to the government, the three had acted in a manner which "conflicted with their official tasks."

The accusations involved espionage against sensitive Swedish industries.

A similar incident took place the year before.

Sven-Ake Hjalrnth does not want to specify where the increase in espionage against Sweden is coming from, however. We do not usually single anyone out, he says.

But at the same time the Sapo chief says that spying on Swedish technical production is scarcely interesting to Americans. We already have so much U. S. technology in the companies.

"They really do not need to come here and spy on their own technology," Hjalrnth says.

In a secret memorandum with the title "Industrial Espionage as a Threat to Swedish Security" the Swedish security police has described some cases of serious attempts at industrial espionage by a foreign power. Here is also described the profitability for the opponents of conducting this type of intelligence activity.

Unbelievably Profitable

"It is unbelievably profitable to bring home this type of information," Hjalrnth says. "The alternative is for the country itself to spend large amounts of money on research and development."

"On the other hand, the costs for the intelligence service are insignificant."

No calculations have been made in Sweden regarding the size of the "losses" the country has suffered due to foreign industrial espionage.

However, in other countries there have been attempts to estimate this. According to information by the U. S. industry, industrial espionage during the 1970's caused damages in the amount of 10 billion dollars. Corresponding calculations in the FRG claim that annual losses from industrial espionage may be estimated at DM 1 billion.

Just how well these figures agree with reality is difficult to assess.

"But we do know that the effect is great, although no concrete figures can be mentioned," Hjalmoth says. It is a problem in most Western nations, he says.

In France, for instance, about 40 Eastern diplomats were recently expelled for attempts at improper contacts with sensitive companies.

It was established that the diplomats who were expelled from Sweden had conducted espionage activity. There are other cases as well in which serious suspicion exists.

However, he does not want to reveal how the contacts from a foreign power take place at the initial stage of directed information gathering.

"Since the disclosures of spy cases in our own country--for example the Bergling case--the Security Service has been reorganized. That is why we do not want to go out and talk about our knowledge of the opponent's working methods," Hjalmoth says.

"In particular not now when we have arrived at a stage when we can reveal this kind of things..."

He does say, however, that it is often a matter of seemingly trivial incidents when executives in a company are "contacted."

"These contacts do not take place by chance. Potential persons within the company have been closely examined beforehand."

The trivial incidents could be a minor accident, for example.

This is how a foreign power attempted a contact in a recently disclosed case:

An employee of a computer firm north of Stockholm found a dent in his parked car when he was going home in the evening.

Affixed to the windshield was a hand-written note with the text: "I am sorry I ran into your car. Call me so we can settle the damage." And a telephone number.

After extensive contacts under friendly forms between the two men, the car driver asked to see one of the printed circuit boards in which the computer company specialized.

In cooperation with the security departments of major companies Sapo conducts training for those who hold sensitive positions. The objective is for people to recognize when a contact is made.

Hjalmroth also believes that the incidents that do take place--when diplomats are expelled--have the favorable effect of raising people's security awareness.

Information Worth Billions to Be Stolen at Our Companies

Industrial espionage has increased. Nations and companies can save billions by stealing highly technological products or programs. This is shown by the telephone inquiry conducted by DAGENS NYHETER at various companies.

"The increase comes primarily from the East. It is between East and West that the technological gap exists," says for example Ingvar Selander of the Preparedness Bureau of Business and Industry.

Per Anders Kallgren is security chief at Bofors in Karlskoga. He shares Sapo chief Sven-Ake Hjalmroth's opinion that industrial espionage has increased.

'We Are a Little Too Naive'

"All development of products is connected with high costs, in particular complicated, highly technological products or programs. Those who steal that kind of thing save enormous amounts of development money."

"Normally we Swedes are probably a little too naive. This is why it is important to inform the personnel of the risks. A product that may seem harmless may be tremendously interesting to an outsider."

Per Anders Kallgren further says that it is essential constantly to adapt the security work in the companies to the current threat picture--today primarily more industrial espionage and increased violence.

"It is important to make espionage and sabotage activities more difficult. This can be accomplished by, among other things, more monitoring of the personnel and when entering and leaving the company."

Tempting Shortcuts

Rolf Dolk, group security chief at Saab, says that the poor economic situation--in the East as well as the West--has the effect that nations and companies may easily give in to the temptation of taking the shortcut of obtaining information by industrial espionage.

"It saves both time and costs, after all."

"Business and commerce have also become more internationalized. Companies from various nations undertake projects together in order to reduce costs. Information concerning such projects is obviously of great interest."

"In this situation it is particularly important for our international credibility that we maintain top industrial secrecy."

Rolf Dolk says that at Saab a great deal of interest has been noted in the company's products, but he does not want to mention concrete examples.

Prevention Urgent

"Prevention of industrial espionage is urgent. This may take place by making the employees more aware of the problems."

Rolf Dolk further says that Sven-Eke Hjalmoth and his employees at Sapo today work in a completely different manner than previously. Sapo enters the initial phase and contacts people.

"The crime is prevented before it has been committed. Previously, there was perhaps a little too much delay."

"In business and industry we are positive to Sapo's new working methods."

Unanimous Picture of Espionage

The tour of various companies which DAGENS NYHETER undertook yields a relatively unanimous picture: Industrial espionage has increased. However, no company wants to provide concrete examples of what types they have been exposed to. The judgement is that it would damage their business activity.

Ingvar Selander, who heads the Preparedness Bureau of Business and Industry at SAF (Swedish Employers' Confederation), says to DAGENS NYHETER:

"My opinion is quite clearly that industrial espionage by foreign powers is growing. It is not at all unusual for agents to try to get sensitive persons to leak."

"And, as far as we know, this increase comes from the East bloc. For it is between East and West that there is a gap in technological development."

11949

CSO: 3650/158

AIR FORCE MOBILIZATION EXERCISE TESTS LOGISTICAL PREPAREDNESS

Paris LE FIGARO in French 20 Mar 84 p 7

[Article by Pierre Darcourt]

[Text] The exercises being grouped together as "Airex 84" will bring all of the air force's air and ground resources into action and involve all of its personnel as well.

As an adjunct to every type of operational maneuver, technical support for the forces will come into play in this overall and optimal exercise, and every aspect will be included.

The availability of fighter planes--with their very high performance levels and complex technology--and of transport planes requires a permanent supply of spare parts as well as repair, inspection, and installation equipment.

Onboard munitions consist of numerous components which are stored separately and must be assembled, mounted, and tested for overall performance before setting out on a mission. The logistic mission therefore consists of quickly supplying the aircraft, regardless of where they are stationed--on the main bases or in deployment areas--with everything required for their wartime missions. This includes supplies for the aircraft themselves, their navigation and fire control systems, and their arms and ammunition, as well as fuel, oxygen for breathing, and so on.

Moreover, the air base defense units, whether ground-to-air or ground-to-ground, must go or be taken to the deployment areas they are to protect, and their technical support must also be ensured.

Three-Level System

Owing to the cost of combat and support materiel, it is necessary in peacetime to seek--with the budget resources available--to maintain supplies of materiel needed for ensuring maximum operational capability at optimum levels of inventory and distribution. The materiel is distributed geographically in such a way as to permit the very rapid deployment of forces and an appropriate flow of supplies necessary for maintaining those forces.

The technical logistic network operated by the air force is organized on three levels:

The first is directly associated with the units, thus guaranteeing them a degree of autonomy and providing them with the indispensable ability to intervene rapidly.

The second is located at the air bases where units are normally stationed.

The third level consists of the air force supply establishments scattered throughout the national territory. Their mission--warehousing, distribution, and repair--is carried out on a regular basis in peacetime in keeping with the air force's training needs, but it must be able to accelerate rapidly in case of conflict.

Crisis Situation

To ensure the logistic operation required to support essentially mobile forces, it is necessary to be aware at every moment of the existing forces, their availability, and their geographic position. For that purpose, the Air Force Supply Service operates a data center with scaled-down branches at the establishments and air bases. In addition, a private road transportation network controlled by a privately-owned operations center makes it possible to move materiel based on needs and priorities. This is rounded out by air transportation, which is essential for the most urgent movement of materiel.

Reestablishing the flow: The supply organization, which normally operates on the basis of peacetime requirements, will be tested during the "Airex" exercises at the same pace as the extensive maneuvers that will be launched by surprise as determined by the air force chiefs of staff. In addition, specific constraints that might result from acts of war--such as a breakdown of the data network or of transportation, the destruction of certain supply centers, and so on--will be imposed on the various links in the logistic chain that will have to function in a crisis situation.

The logistic operation, which at that point will be directed from the Air Force Materiel Service Operations Center (COSMAA)--with the latter linked directly to the Air Force Operations Center (CO-Air)--will then have the mission of reestablishing the logistic flow as best it can and of subsequently drawing the necessary lessons for ensuring better preparedness on the part of men and resources.

Along with that "technical" aspect of the logistics taking place in direct association with the combat equipment, other components will also be brought into play in similar conditions. These comprise the air force departments for equipping, clothing, and feeding personnel and the Medical Service, which must use the necessary means for picking up and treating the wounded. This includes, for example, the air transport mobile hospitals, which must treat the wounded on the battlefield and transport them by air to hospitals in the rear, with the entire operation being accompanied at every stage by the necessary emergency treatment.

The situations being created as part of the "Airex" exercise--and they are very realistic in terms of a possible state of war--constitute an incomparable means of verifying the ability of technical logistics to ensure the "operational preparedness of the materiel and men" that are essential to the success of the armed services.

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CSO: 3519/272

DE CLERCQ ON PUBLIC FINANCES, BUDGETARY WORK

Brussels LA LIBRE BELGIQUE in French 7 Mar 84 p 3

[Interview with Vice Prime Minister Willy De Clercq; date and place not given]

[Text] Only a few days after the conclusion of the reorganization of public finances, little is known about the painful decisions ministers will make. Have alternate proposals been formulated? Minister of Institutional Reforms Dehaene (CVP [Social Christian Party]) said on Monday evening that "those who wanted to have little plan were getting involved in political shenanigans." Is there a Martens plan and a De Clercq plan?

[Answer] There is a De Clercq plan. Van Rompuy (CVP) reacted to it violently, saying that I was much too demanding in the effort required and that I was putting the bar too high. He even insinuated that my intention was to torpedo the prime minister, which is the *summum* of incongruity! If there are persons who properly weigh the gravity of the problem of public finances in the government, it is those participating in the budget summit conference and in particular, Martens and myself. That plan therefore exists: It is not made against anyone. It contains the proposals which a vice prime minister, accompanied by a minister of finance, has the right to have, whether some like it or not. It is therefore aimed at finding a solution to the budgetary problem whose extent almost defies understanding. Bringing the overall deficit down from 560 billion to 300 billion between now and the end of 1986 is an almost superhuman task.

[Question] While Martens and De Clercq agree on the purpose of the operation, there are perhaps divergencies about the means to be used to accomplish it.

[Answer] To date, I do not see so many disagreements. We have said clearly and honestly that we want the effort to be serious, for it to begin as early as 1984, that it be prolonged at least over the next two years. We have also said that given the fiscal and parafiscal pressure that is already so great in Belgium, it was not proper to increase burdens further and that the path to be chosen was therefore that of a reduction in spending.

Rigidities

[Question] What are the main difficulties that the government is encountering in this reorganizational task?

[Answer] We are aware of a certain number of rigidities and handicaps complicating our work. First of all, there are the factors inherent in receipts. The gross national product of a small country like ours is terribly dependent on the national and international economic context. The recovery has not yet manifested itself here. The situation by the end of 1983 had not developed favorably and the great economic growth was smaller than what had been reasonably estimated by all international consulting firms. We therefore have a major problem of receipts in 1983.

[Question] What are the estimated drop in value?

[Answer] For 1983, we have 66 billion less in fiscal receipts, 10 billion of which are only delayed payments. If this accident affecting receipts had not occurred, we would have had, for the first time in a long time, experienced a drop in the net balance to be financed (overall deficit).

In a recent response to a parliamentary question, I showed the evolution followed by receipts in the past 12 years. The average increase in fiscal receipts was 15.4 percent from 1972 to 1978 and 6.6 percent from 1979 to the end of 1983. It is obvious that if we had been able to carry out these budgetary operations in a context of economic expansion rather than in a recession, as was the case in 1983 (the GNP had a negative growth rate in 1983: .6 percent), the task would have been easier.

But there are also enormous rigidities with respect to expenses. For example, 20 percent of the spending in 1983 was absorbed by interest charges on the public debt. In addition, the increase in interest rates has a catastrophic effect on our floating debt, which is 1 trillion francs.

Next, pensions, wages and social benefits represent one-fifth of the Central Government's spending, while purchases of durable goods and services dropped to 5 percent of the total value. This is also an inflexible factor because this percentage has become so low that we have to give up the idea of finding therein the billions needed to reduce the deficit. Thus, the operating expenditures of the administration have been so far reduced that we have probably reached a limit we cannot exceed, under penalty of endangering the essential functions of government. The situation is therefore as contradictory as it is disturbing.

The manager state has expanded its field of action, brought about an increase in fiscal burdens and, at the same time, a drop in credits allocated for essential functions. These essential and vital functions are less and less assured and yet, the government is plunging into a series of operations for which there is still money.

[Question] Which ones?

[Answer] I am getting to that. We are coming to a policy of economic and social transfers. Where economies are possible, these transfers of income represent 35 percent of all spending. They are economic (subsidies to the SNCB [Belgian National Railroads], the PTT [Postal and Telecommunications

system, the communes, provinces, and so on) and social (subsidies to ONEM [expansion unknown], INAMI [National Institute for Illness and Disability Insurance], education, and so on). These are areas in which the increase in spending has been exponential. Many efforts have already been made. Reorganizational plans have been applied to the SNCB, Sabena and the universities. If one wants to find the billions needed to reduce the deficit, it is to these sectors that one must go, not because it results from an ideological choice, but because it becomes a vital necessity. This choice is not the reaction of a conservative, but rather, is dictated by the reality of the figures.

[Question] But that will not be adequate.

[Answer] It will perhaps be necessary to take measures in the civil service, for example, without decisions being specific.

There remain the capital expenditures, but here, efforts have already been made. Such spending dropped by 3 billion between 1981 and 1983 (from 184 to 181 billion). Certainly, we shall have to imagine new financing formulas by the private sector. I am thinking of the next tunnel under the Escaut, which will charge a toll and which will be financed by private enterprise.

Effectiveness of Fiscal Spending

[Question] Some ministers have also doubted the effectiveness of some fiscal spending.

[Answer] I have asked the higher finance committee and particularly the former prime minister, Van Houtte, to study this problem. I have asked that work be speeded up so that we may have the results before the 1985 budget is drafted.

[Question] Will these calculations not fit into the framework of budgetary control now in effect?

[Answer] That seems difficult, with the exception of certain partial measures, perhaps. But I believe that we must not improvise and that we must wait to know the precise budgetary impact of what is called "fiscal spending," the category of recipients, and so on. There is undoubtedly a problem, but that is not certain. It is possible that some spending will be less effective than other spending, but we must not exaggerate the problem.

[Question] In 1926, in order to reduce its floating debt, the government gave up part of its patrimony. For Verhofstadt, that measure should be taken again today.

[Answer] I favor the idea. Returning certain sectors to the private sector would be one way to reduce spending and increase receipts. If institutions that appeal for an increase in capital were to go to the private sector and therefore agree to become joint ventures, this would bring about a desirable reduction in the financial investments of the Central Government and more

flexibility in management. The operation would be doubly beneficial: for spending, because one would call on private capital, and for receipts because the sale of our participation in certain enterprises would bring in money for the government.

[Question] Politically speaking, the measure is not acceptable to this government?

[Answer] I have no idea. I think one must not view the operation from an ideological angle, but from the practical angle. I have not given up hope. It is a solution to envisage in medium-range terms. It cannot be envisaged for the current budgetary control.

[Question] Why is it not applicable in 1984?

[Answer] That is part of the mischievous cogitations. There has been no formal veto, but we must not start down this path without measuring its precise impact. We shall have to take it, but I shall perhaps not be in the government at that time.

Community Truce

[Question] Gol did not want the work of the government to be disturbed by community provocations. A pact, in his opinion....

[Answer] Everyone agrees on giving priority to economic, social and financial aspects. In my overall strategy, the budgetary operation is therefore only one aspect of an overall plan including measures aimed at increasing the competitiveness of enterprises, revitalizing our economic in problem regions and throughout the country. This must all be accompanied by a kind of social pact ensuring no growth in burdens, on the one hand, and the promise of additional hiring making it possible to solve the employment problem, on the other. That is what must be realized if one wants to govern one more year or even until the end of 1985. That cannot happen if we are continually bothered by the Hapart and other cases. We must therefore hope, if not demand, a truce. But making a pact, engaging in community-to-community negotiations, would be a waste of time.

[Question] It has nevertheless happened that deputies from your party have voted for emergency examination of the Galle proposal, which they knew would cause difficulties in the majority. For a party that wants to give priority to economic matters....

[Answer] The government has asked to postpone the discussion until the Council of State has handed down its opinion. The Chamber did not follow us. It decides on its agenda and not the government.

[Question] Before the normal end of the legislature, the Council of State will hand down orders probably unfavorable to French-speaking communal elected officials. Will that endanger the government?

[Answer] I believe that the government must be able to find a solution within the framework of legality.

[Question] What will the schedule of work on the budget be? When will you finish?

[Answer] We must absolutely find an agreement between us rapidly. It will then be discussed by the Cabinet. I hope that all this can be finished before the weekend. That is my selfish hope: It is the fifth weekend that I have not been able to prepare for the course I give on Monday!

[Question] The proximity of the European elections sometimes seems to thwart the serenity of budget decisions. In 1985, there will be another election. Are you not afraid that during the rest of the legislative term, the campaign will be almost permanent?

[Answer] There are always elections in Belgium. Scarcely had we been installed when the communal, then the social and now the European elections arrived. We have not been spared but that has not prevented us from working. I believe, in fact, that the approach of 17 June makes some politicians nervous. They are wrong: That election must remain European and not become a national test.

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CSO: 3619/51

CENTRAL BANK WARNS AGAINST RELAXING AUSTERITY

Industry Orders, Exports Grow

Copenhagen BERLINGSKE TIDENDE in Danish 15 Mar 84 p 1

[Article by Frank Dahlgaard]

[Text] Industrial order books are bulging. New figures show that production is skyrocketing because of export demand and an upturn in investment--and not because of domestic private consumption.

Orders are streaming into Danish industry at a rapid pace and it is the right kind of orders that are piling up in business order books:

Orders from abroad and order from the domestic investment products sector.

But there is only a slight growth in the receipt of orders for consumer products for the Danish market. Thus the fear that increased consumer demands will fuel the Danish economy seems unfounded.

This is shown by new figures from Danish Statistics on the status of industrial orders and sales.

In the period from November 1983 to January 1984 total industrial orders received were 10 percent higher in terms of fixed buying power than in the same period the year before.

Order receipts from abroad, however, were 16 percent higher, while order receipts from the Danish domestic market rose only 7 percent.

The biggest growth in the stream of orders is now coming in the area of investment products for the export market. This shows that investment activity elsewhere in Europe is now picking up.

The total industrial order backlog in the period from November to January was on the average 13-14 percent above the level 12 months earlier, in terms of fixed prices and there are clearly more export orders than there were before.

The sale of investment products clearly showed the strongest gains.

Total industrial sales of manufactured consumer products rose only 5 percent in the period in terms of fixed prices, but there is a striking difference in the development of consumer products sold to the domestic market and those sold on the export market. On the domestic market, sales of consumer products rose only 3 percent in fixed prices, while sales of consumer products on the export market rose a substantial 9 percent.

1984 Deficit Revised Downward

Copenhagen BERLINGSKE TIDENDE in Danish 15 Mar 84 p 7

[Text] Finance Minister Henning Christophersen now expects employment to develop so favorably this year that the national deficit estimate of 54 billion kroner will probably be lower than that. There are many signs that it will be smaller than the 1982 deficit.

Folketing held the first discussion on the supplementary appropriations act yesterday and the finance minister stressed that the deficit in 1983 was 24.5 billion kroner less than originally forecast.

Consumption Increases, Wages Drop

Copenhagen BERLINGSKE TIDENDE in Danish 4 Mar 84 Sec II p 4

[Article by Frank Dahlgaard]

[Text] After several years of stagnation, private consumption has risen so sharply in recent months that the government and the National Bank are considering taking action. Here is the explanation of how consumption can rise while real wages are declining.

Since the summer of 1983 the average Danish family has increased its private consumption dramatically. We are buying cars, houses, vacation trips and clothes to an extent that has not been seen before in Denmark in this decade.

Thus the sale of new cars increased almost 50 percent from the second half of 1982 to the second half of 1983 and in the same period the sale of single-family houses rose over 40 percent. This puts sales of property up to an all-time record level.

The number of sold vacation trips is clearly up but consumption of everyday goods, the heavy item in household budgets, has also followed suit.

In the last half of 1983, shops and department stores sold 3 percent more goods than in the same period the year before. The gain in sales included food and beverages as well as clothing and durable consumer products. Fabric and clothing stores noted the biggest sales gains since summer 1983.

But the odd thing is that the strong gains in Danish private consumption are occurring in spite of a decline in workers' real wages after taxes.

Therefore the question is how private consumption can rise when real wages are falling.

Consumption by Capitalists?

Former Tax Minister Mogens Lykketoft (Social Democrat) has given the following answer to the question: The rise in consumption can be attributed to businessmen who have had a strong increase in their real incomes and to the capitalists who have reaped big market gains on stocks and bonds.

In the latest issue of POLITISK UGBREV, Lykketoft expressed great annoyance that the government and the National Bank are considering taking steps to curb the private consumption of the majority of the population "because the few who have profited are lavishing their gains on imported consumer products."

Are these words of Mogens Lykketoft the correct explanation for mounting private consumption?

The answer is no. BERLINGSKE TIDENDE's analysis shows that there are other more important reasons behind the mounting private consumption.

It is correct that self-employed businessmen have had an increase in their purchasing power after taxes--but the increase has been only a modest one.

According to the Budget Department's finance report from November, the increase was a meager 2.1 percent from 1982 to 1983. An even smaller gain is expected from 1983 to 1984, namely 1.8 percent.

This modest gain in businessmen's real income after taxes cannot possibly explain the growth in total Danish private consumption.

After all, there are less than 300,000 self-employed businessmen in Denmark and they earn on the average only three-fourths of the average income received by Denmark's 2.2 million wage earners. (Source: NYT FRA DANMARKS STATISTIK, No 13, 18 January 1984)

In addition, the number of independent businessmen is declining.

More Overtime

The striking rise in consumption is due primarily to increased consumer spending by Denmark's 2 million employed wage earners.

It is true that the finance report noted that individual employed wage earners had a decline in purchasing power after taxes of roughly 2 percent from 1982 to 1983--and that there will be a further drop of about 1 percent in real wages after taxes from 1983 to 1984.

However the figures in the finance report involve real hourly wages for individual wage earners and thus do not take into account the fact that more workers and employees were hired in the fall of 1983 and that at the same time the number of hours worked rose.

Danish Statistics' employment index, which measures the number of hours actually worked in industry, shows a sharp rise in the last half of 1983. The economic upturn has obviously led to overtime work in many firms and the extra work has naturally put more money into workers' pockets.

The fact that the growth in hourly wages after taxes has not quite been able to keep up with the growth in living costs has in many cases been offset by more work at overtime rates, in other words.

Pension Increases

Mogens Lykketoft has also overlooked the country's 700,000 pension recipients, each of whom had an increase in the purchasing power of his national pension of 1-1.5 percent after taxes from 1982 to 1983, according to the finance report. A further increase in the purchasing power of national pensions of around 1.5 percent is expected this year. The cost-of-living adjustment for national pensions continued.

In addition there are more and more pension recipients and to an increasing extent this group is supplementing its national pensions with rising payments from private pension and insurance systems.

Thus the large group of pension recipients probably played a part in the gains in consumption.

The substantial decline in interest rates made it possible for many people to have their total payments on previously-borrowed bank and thrift institution loans reduced. This freed more money for consumption.

At the same time, interest payments on new debts have become cheaper.

Since the summer of 1983 the banks have been swimming in money and it has been easier than ever to take out consumer loans. Part of the rise in consumption can undoubtedly be traced to these consumer loans which the National Bank has now warned banks and savings institutions to show more restraint in offering.

Ordinary wage earners are the ones who have mainly benefited from the easier access to consumer loans. Well-heeled "capitalists" can always get loans.

Market Windfalls

The big market windfalls on bonds and mortgages probably also contributed to the consumption rise. But hardly to the extent Mogens Lykketoft apparently thinks.

The vast majority of all bonds, mortgages and stocks are namely owned by insurance companies, pension funds, endowments, financial institutions, credit unions and firms, none of which translate their assets into increased consumption.

But hundreds of thousands of private Danish consumers have put their savings into securities to some extent. Some of them have undoubtedly made some money on the rising market, but it should not be forgotten that in every deal there is a buyer as well as a seller.

It is the buyer of a security who pays the profit to the seller. Thus one person has his money released while the other ties up his savings--so that his money cannot be used for consumption.

The net impact of such deals on consumption is scarcely overwhelming, but on the other hand market gains are probably one explanation for the growth in consumption, an explanation that should not be overlooked.

The indirect effect of market gains on securities is probably greater than the direct effects of realizing profits.

Thus many families have probably permitted themselves to use a larger share of their current income because their savings in securities have suddenly increased automatically. Suddenly there was enough "laid by" for unforeseen emergencies.

Bigger Consumption Quota

But optimism and the economic upturn are and will remain the main explanation for rising consumption.

The fear of becoming unemployed has declined and thus people have the courage to use a larger share of their current income. The economists say that the consumption quota has risen and the saving quota has declined. Just a modest increase in people's consumption quota means a shift of billions of kroner in annual private consumption.

And finally more tourists have come to Denmark spending more money--thanks to the skyrocketing gains of the dollar, among other things.

Thus Denmark's currency revenue from tourism rose 10 percent last year, giving us a direct surplus in the "tourist balance" with other countries for the first time in 7 years.

It is to be hoped that the excess tourist consumption in Denmark is not a cause for concern on the part of the government and the National Bank.

For the sake of thoroughness it should be noted that net emigration from Denmark has been halted and turned into a net immigration. This also means higher domestic consumption.

All in all, a very large proportion of the population had a share in the increased consumption. It is not a handful of capitalists and businessmen who have "lavished their profits on imported consumer products," as Mogens Lykkeft would like to believe.

And it is certainly not the "wealthy" who are to blame for increased consumption. They have always had plenty of money to spend on consumer products.

No, it is ordinary Danish citizens who have acquired the means for increasing their private consumption.

Central Bank on Government Policy

Copenhagen BERLINGSKE TIDENDE in Danish 16 Mar 84 Sec III p 2

[Sections from the annual report of the National Bank of Denmark]

[Text] In its annual report the National Bank points out that Denmark succeeded for the first time in 1983 in bringing the rate of wage increases down below the rate abroad--but it warns against the craving of politicians in Christiansborg to relax their grip. Here the business section of BERLINGSKE TIDENDE reprints portions from the annual report that concern economic developments in Denmark.

In 1983 the economic tide was turned after the resumption of the reorganization policy that was started in 1979 but broken off several years later, with the result that in 1982 we had an economic expansion in Denmark that was stronger than in most other countries.

There was no basis for this with the big imbalance in the Danish economy. The result was that the already large deficit in the balance of payments increased even more, that the state budget deficit deteriorated at an alarming rate and that interest levels reached record highs. The situation was clearly untenable and there was also broad political agreement that there had to be a change in course for economic policy.

With the format given to economic austerity after the government changeover in the fall of 1982, the main emphasis was placed on two areas, namely income policy which in conjunction with a firm krone exchange rate policy was

intended to moderate the rise of business costs and improve our foreign competitiveness, and finance policy, which through public spending cuts was intended to turn around the threatening trend in national finances.

The goal of these measures was met in particular where wage and price increases are concerned, since they were cut roughly in half in 1983, and in the area of interest levels, which were reduced substantially. The deficit in the balance of payments was also reduced, but here an extraordinarily big sale of ships and low net energy imports were strongly contributing factors and the improvement in the balance of payments came to an end in the last part of the year. The efforts to strengthen state finances also bore fruit, but the deficit is still so large that it is incompatible with balanced economic development. It has been a positive element that the reorganization policy did not bring with it an increase in unemployment.

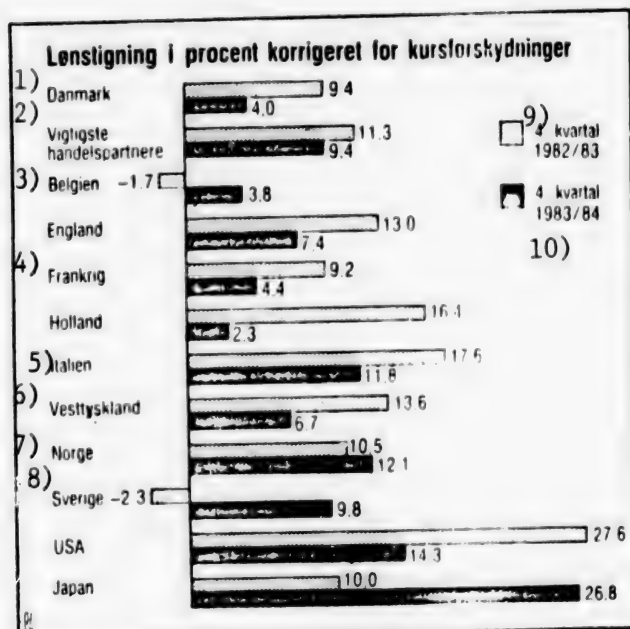
The development of economic activity turned out to be stronger than predicted. Housing construction, which had been at a low level for a long time, reacted to the decline in interest rates as early as spring and private consumption also began to rise gradually while at the same time business investments showed signs of progress. This meant that the increase in exports was accompanied by an unexpectedly strong upturn in domestic demand in the second half of the year, so that growth for 1983 as a whole was close to 3 percent.

Seasonally-corrected unemployment has remained largely unchanged since spring at a level around 10 1/2 percent, so that employment increased in line with additions to the job market, but unemployment continued to rise in most other places. Unemployment is still very high, but that is also the case in other countries and unemployment is lower in Denmark than in other EC countries on the average.

Income policy was introduced in the fall of 1982 with the suspension of the price-index adjustment on the labor market and the issuing of guidelines for wage increases in the contract renewal negotiations in the spring of 1983 with the intention of keeping the increases within a framework of 4 percent a year. The guidelines were followed in the contracts, thus bringing about a very sharp reduction in wage increases.

The rise in consumer prices was also moderated. While the effect of weaker wage developments on prices became increasingly stronger as the year went on, falling energy prices and a generally weak development in import prices made a strong contribution to keeping price increases down in the beginning of the year.

Wage hikes also moderated in other countries, but not nearly as much as in Denmark where the tempo of wage increases came down from 10 percent to less than 5 percent in the course of 1983. This development signaled a break with the tendencies of previous years when Danish wage hikes were well over the average in the countries with which we trade most. In other words we managed to reverse the previous trend in which wage developments in themselves led to a deterioration of our competitiveness.



Wage Increases in Percentages, Corrected for Exchange Rate Changes
Source: National Bank of Denmark

Key:

- | | |
|------------------------------------|-------------------------|
| 1. Denmark | 6. West Germany |
| 2. Most important trading partners | 7. Norway |
| 3. Belgium | 8. Sweden |
| 4. France | 9. 4th quarter 1982/83 |
| 5. Italy | 10. 4th quarter 1983/84 |

As the graph shows, exchange rate developments had a very uneven effect on competitiveness with regard to individual trading partners, but the total effect of exchange rate developments was positive with regard to competitiveness.

Industrial exports could still win market shares. But despite the favorable development in industrial exports, the improvement in the balance of trade ended in the second half of the year when the increased activity led to a sharp increase in imports.

Interest payments abroad remained unchanged in spite of continued growth in foreign debt and the rising exchange rate of the dollar. This is because the international interest decline through 1982 did not have its full impact until it came to the 1983 interest payments. Even so, interest costs

of 18 billion kroner--corresponding to 10 percent of export revenues--were such a burden that they far exceeded the surplus in the balance of goods and services.

The balance of payments deficit was a little under 11 billion kroner. That was an improvement of 8 billion kroner compared to the year before, but as mentioned earlier, the improvement occurred in the first half of the year and was due primarily to special circumstances.

In the state finance sector the unbroken growth in the deficit since the mid-1970's was ended and there was even a slight decline, but with a 1983 deficit corresponding to 11 percent of the gross national product, Denmark is still disproportionately high compared to other countries.

The stabilization policy created calm on the foreign exchange market with the exception of a short period just before the rate adjustment in the European Monetary System in the spring of 1983. At the same time the prospects of lower inflation and better economic balance led to such a radical change in expectations that the interest decline was much sharper than the decline in foreign interest rates would have caused and this decline continued after the international interest-rate decline ended in the beginning of 1983.

The discount rate was cut four times from 11 percent in the fall of 1982 to 7 percent in the fall of 1983. Interest rates at financial institutions followed suit but the drop was bigger on loan rates than on deposits. The decline in interest on loans was--in accord with the intentions of monetary policy--greatest on business loans.

Interest declines on the bond market were even sharper, from over 21 percent to barely 13 percent by the end of 1983. The decline was especially sharp after the conclusion of contract renewal talks and the EMS [European Monetary System] exchange rate adjustment. From the middle of April, interest declines were periodically replaced by increases and there was a difference between short-term and long-term interest developments, in part as a result of uncertainty about political developments.

The sharper decline on bond interest rates than on deposits meant that the interest advantage in putting money into bonds instead of depositing it in financial institutions decreased, especially when we consider interest after taxes. Thus the adjustment of interest rates to the expectation of lower inflation led to a shift in deposit patterns from bonds to financial institutions which was reflected in a sharp increase in the currency supply.

At the same time the interest decline led to a sharp reduction in the interest incentive involved in borrowing abroad. But the effect of this was outweighed by increased confidence in exchange rate policy. While there had been a substantial liquidation of private debts abroad in 1982, transfers of private capital were generally in balance in 1983. Up to the EMS

rate adjustment there was still a net export of private capital, but for the rest of the year there was a moderate net import of capital.

Thus the balance of payments deficit had to be offset with public borrowing abroad but in contrast to the preceding year public borrowing did not also have to offset a large net export of private capital.

While the movements of private capital were fairly neutral with regard to liquidity for the year as a whole, the improvement in the balance of payments led the private sector to have a surplus on its foreign payments for the first time in a long while, producing a corresponding increase in liquidity. To avoid having this lead to an unintended easing of liquidity conditions there was a need to increase the sale of state securities, which supplied about 90 percent of gross financing needs in 1983 compared to around 80 percent in previous years.

In addition to the sale of state securities, liquidity developments were controlled through the establishment of conditions for lending by the National Bank to financial institutions. In order to speed up the adjustment of these conditions, the lending framework system was changed in the fall so that after that time, lending limits were set by the month instead of by the quarter. At the same time interest terms were changed with the aim of stabilizing money market interest rates. The changed setting of interest rates was also aimed at checking too strong a growth in the money supply.

The rise in the money supply had its counterpart in the increased purchase of bonds by financial institutions in line with the increase in deposit money. However up to the end of the year the lending increases of the money institutions followed the goal agreed on between the National Bank and the organizations of the money institutions in the form of a ceiling on loan growth. With reference to the lower inflation rate, the ceiling that had been at 10 percent was gradually lowered to 9 percent at the end of September and 8 percent at the end of the year. From being below the target toward the end of the year, lending growth made a surge at year's end and was up to 12 percent at the end of December. The limit was exceeded in part due to a sharp rise in consumer loans.

The National Bank warned the financial institutions that this excess must be brought to an end and pointed out that a responsible development in money matters also presumed a more restrained purchase of bonds on the part of the institutions.

Against the background of the rise in consumer loans and the prospect of a deterioration in the balance of payments in 1984, the National Bank recommended at the beginning of February 1984 that the money institutions show restraint in extending loans for consumption purposes.

It was possible in 1983 to further liberalize currency regulations, so that in general the private sector can conduct commercial dispositions abroad

without being checked by the currency regulations and everyone has been free to buy foreign bonds and stocks. The expanded liberalization was carried out without leading to any big changes in the movement of capital. Liberalization has now been advanced to the point where Denmark is essentially meeting its international commitments to OECD and EC.

The international economic situation looks brighter than it did a year ago but it is uncertain whether the upward trend will continue or whether a moderation will occur sometime in 1984. Under any circumstances there is no prospect of a return to a period of high growth and this means there is currently no prospect for a reduction in unemployment either.

While in general it has been possible to bring inflation under control, there is no immediate sign of further interest declines. Interest developments in the United States will be decisive for international interest rates. This development will also have an influence on the exchange rate of the dollar which along with American interest rates is of great importance for both the international economic climate and the resolution of the debt problems of developing countries.

The effort made here at home to moderate price and cost increases and to reduce the foreign deficit and the state budget deficit has reduced the imbalance in the economy and provided a basis for an interest decline that has brought us in line with countries that have similar price developments.

Regardless of these good results, it is important to keep in mind that the problems of balance in the Danish economy that have been especially noticeable in continued foreign borrowing and big state budget deficits are far from having been solved.

Even though the balance of payments improved in 1983, the deficit was still large and there have been clear signs of a tendency toward renewed increases. The deficit in state finances is also too high. In both areas the interest burden has been especially bothersome due to previous interventions that came too late and were not strong enough.

The sharp growth in the money supply must also be restrained.

The Danish economy is in such an exposed position that we cannot tolerate a gain in domestic demand that is stronger than the demand in the countries with which we trade, as there are signs of again. It would be especially dangerous if domestic consumption rises too sharply.

Under these conditions it is necessary to maintain the main line in the economic policy of austerity, in other words the state budget deficit must be reduced further and cost restraint must be continued, the more so as a continued decline in wage hikes can be expected among our competitors.

Experience has certainly taught us that it is costly to slack off on efforts to correct the economy. The internal price could be renewed interest

rate increases and the external price could be an erosion of the credit rating that has been laboriously reconstructed on the basis of the results achieved so far and confidence in the assurances that the reorganization policy will be continued and completed in the course of a few short years.

Paper Comments on Report

Copenhagen BERLINGSKE TIDENDE in Danish 17 Mar 84 p 6

[Editorial: "Economic Policy"]

[Text] The National Bank's annual report contains a number of appreciative remarks about the results produced by economic policy in the course of 1983. The report also contains warnings about the current and future development of the economy. Thus the National Bank points out that the Danish economy is still in an exposed position. The deficit in state finances and the deficit in the current items in the balance of payments are both still much too large. We cannot tolerate a domestic surge in demand in this country that is larger than the increase in the countries with which we trade. It would be costly to slack off on the efforts to straighten the economy out. The internal price could be another increase in interest rates and externally it could be an erosion of the credit standing that has been laboriously built up on the basis of the results achieved so far, the report says.

The National Bank is justified in warning the government and Folketing against irresponsibility in the area of economic policy. Unfortunately we have seen many times before in the postwar period that improvements in the economic situation were temporary because it was impossible to create the necessary political majority to hold a firm line on economic policy.

Therefore we must hope that this part of economic history will not repeat itself. We must also presume that this is the main view behind the repeated calls for a finance policy austerity that have been made by National Bank director Erik Hoffmeyer.

But if we are to avoid the mistakes of the past in dealing with the future it is necessary to base our reasoning on something besides an oversimplified fiscal austerity viewpoint. At the moment there is a clearly positive development going on in the Danish economy. Investments are rising and employment in the private business sector is growing. This kind of thing is desirable when a long-term viable foundation has to be created for foreign economic balance and a higher level of employment. It would be dangerous to risk breaking off this trend now with tax packages of the traditional Social Democratic type.

But this does not mean that we can avoid financial policy interventions, especially with regard to 1985. Very substantial savings will be needed

before we can say that the economic line is being maintained. This applies to national finances, obviously, but it also applies to municipal spending, which represents the lion's share of public spending for consumption and investments. Therefore there is reason to support the government's municipal plan, for example. It is more important to implement this than to raise taxes on cigarettes and other items.

6578

CSO: 3613/116

FINNISH OIL FIRM CHIEF DOUBTS GAS FROM USSR PIPELINE TO SWEDEN

Helsinki HELSINGIN SANOMAT in Finnish 10 Mar 84 p 32

[Unsigned article: "Neste's Ihamuotila in Stockholm: Natural Gas Pipeline Will Not Be Extended into Sweden"]

[Text] Jaakko Ihamuotila, managing director of Neste, said in Stockholm on Friday that the negotiations for the extension of the natural gas pipeline from Finland to Sweden will not lead to pipeline construction at this stage. According to Ihamuotila shifting the matter to the future would not, however, influence Finland's gas plans, which are carried out in accordance with an outlined timetable.

Ihamuotila, who spoke at the Finnish-Swedish chamber of commerce, proposed a broad-based cooperation of the Nordic countries for the oil industry, especially for participating in the search for oil in the northern regions of the Soviet Union. He submitted for consideration the idea of discontinuing further refinery-capacity construction.

"We ought to carefully consider whether we really need additional refining capacity in the Nordic countries or whether we are able to handle the situation, for example, with the aid of oil refining based on refining agreements, which is the fastest and most flexible way to get additional capacity into operation," Ihamuotila said.

With relation to the extension of the natural gas pipeline, it appears at this moment that the negotiations between Neste and Swedegas on the lengthening of the pipeline will not now yield a result, according to Ihamuotila, although a general agreement has been reached on the distribution of general expenses.

"From Finland's standpoint it would be sensible, of course, to combine the efforts in the construction of the gas pipeline, but naturally cooperation just for the sake of cooperation doesn't pay; rather, the activity ought to be sensible from each party's point of view," Ihamuotila said. The central question is then Sweden's gas price.

The state of competition on the different energy markets and the expenses of transfer make the price different for different customers. The final price is, of course, the result of negotiations, mentioned Ihamuotila.

"It's natural that Sweden's future gas price on Finland's border must be lower than Finland's gas price, because in Sweden's case the pipeline investment is much greater, and on the other hand the energy markets are very much the same as in Finland. So the price of gas for the consumer has to be about the same as in Finland," said Ihamuotila.

12327

CSO: 3617/111

NORWAY OFFERS ROLE TO FINLAND IN DEVELOPING BARENTS OIL FIELDS

Helsinki HELSINGIN SANOMAT in Finnish 7 Mar 84 p 32

[Unsigned article: "Norway Offers Finns Work in Barents Sea Oil Fields"]

[Text] Rovaniemi (HS)--The Soviet Union and Norway are entering negotiations concerning cooperation in the oil field of the Barents Sea. According to Finnmark governor Anders Aune, who spoke in Rovaniemi on Tuesday, Norway has received an official offer of cooperation from the Soviet Union. They are now discussing bringing Finns into the project as well.

It would apparently be a matter of constructing joint bases in the northernmost region of Norway. For the time being, the Norwegians have carried out drillings in the north on two platforms. In 1985 operations may expand to include four separate drilling units. At that time the drillings in the region of Troms will also become year-round; now they are carried out only in the spring.

12327

CSO: 3617/111

SOVIET AT ENERGY CONFERENCE PUSHES FOR SALE OF NUCLEAR PLANT

Helsinki HELSINGIN SANOMAT in Finnish 10 Mar 84 p 32

[Unsigned article: "Ministry's More Urgent Electricity Forecast: New Large Power Plant Needed Before Mid-1990's"]

[Text] By the end of the century basic power capacity three times that of the Loviisa nuclear power plant unit will be needed in Finland, it is clear from a recent electricity consumption report of the Ministry of Trade and Industry. According to the report made public in Helsinki at an energy conference organized by the Finland-Soviet Union Society, three percent annual growth in consumption would absorb 1,500 megawatts of "new" electricity by the year 2000.

The estimate was presented at the conference in a speech of the late Erkki Vaara, director-in-chief of the energy division of the KTM [Ministry of Trade and Industry]. According to the report a three percent average increase in electricity consumption presupposes the startup of the first new large power plant around 1993-94. The next power plant should be completed in about 1996-97. If electricity consumption increases even faster, a new large power plant will be needed as early as the first part of the next decade.

The forecast, which was completed as an official task in the Ministry of Trade and Industry, may be published in its entirety in a couple of weeks.

In the forecast the need for electricity is calculated in two different cases. If a growth-oriented economic policy prevails, electricity consumption in our country will increase about three percent a year. If the economy grows slowly, it is estimated that electricity consumption will grow about two percent a year. In the years 1971-83 consumption increased on the average six percent a year.

"Nuclear Power Advantageous to National Economy"

According to the ministry the completed report demonstrates very clearly that new power plant capacity is needed in Finland, even if the growth of electricity consumption slows down from the present rate.

In accordance with the lower consumption-growth estimate, new condensed-liquid power would be needed around the turn of the century. If, on the other hand, the higher estimate turns out to be too low, we will end up increasing the share of coal power and the importation of electricity, because the construction of a nuclear power plant takes at least eight years, and so it would not be finished in the early part of the 1990's.

According to the report of the Ministry of Trade and Industry nuclear power in both growth alternatives seems to be more advantageous than peat and coal power from the standpoint of the national economy. "The environmental aspects also support this conclusion."

Electricity produced at a nuclear power plant is cheaper than electricity produced with coal, according to the report. If a coal-fired plant is equipped with a desulfurization system, electricity generated by nuclear power is more advantageous by as much as one-fourth over that produced by coal. The long utilization time improves the thriftiness of nuclear power.

According to the report more so-called regulation power is needed in the nuclear power alternative than in the coal alternative. In addition, in connection with nuclear power plants, gas turbines run by fuel oil have to be used to even out the consumption peaks. This again trims nuclear power's head start compared to coal.

Shasharin Made Appeal for Nuclear Power

The Soviet Union's First Deputy Minister of Power and Electrification, G. A. Shasharin, who has been in Finland for a week explaining his own country's nuclear power program, also gave a lecture at the conference. Shasharin has met Trade and Industry Minister Seppo Lindblom, lectured in Tampere and Lappeenranta and presented his views to parliamentary groups of the largest political parties.

According to Shasharin right now at 18 work sites the Soviet Union is constructing new nuclear power plants equal to 80,000 megawatts altogether.

The Soviet Union's goal is to replace oil and gas with nuclear power in the production of electricity, heat for industry and heat transmitted from a general heating center for warming buildings.

"In the next few years 1,000-megawatt hydraulic reactors will form the basis of the electricity-generating nuclear power plants in the Soviet Union. Now a 1,500-megawatt power plant is also being planned," Shasharin said.

Shasharin made an appeal on behalf of nuclear power plants by stating that many grades of coal contain radioactive substances which do not burn in the basins of boilers and thus end up in the atmosphere. "According to experts radioactive emissions released into the air by coal-fired plants exceed manifold the emissions of nuclear power plants," Shasharin said.

"The atom of peace is a heat and light source which mankind can rely on. There probably won't be any other candidates for the leading role of the world's power economy in the foreseeable future," Shasharin said in bringing his lecture to a close.

According to Doctor of Engineering Anders Palmgren, production manager of Imatran Voima, the delay of energy-policy decisions and the growth of electricity consumption have brought us dangerously close to being forced to construct more expensive coal-fired plants in order to ensure the electricity supply.

What bothered Palmgren is that "there exists a real danger of ending up in the same situation as in the 1960's, during which a coal-fired plant was built in Inko when no one was able to make a decision about nuclear power."

If we settle on nuclear power as the new fundamental power, it would be economically sensible to get the plant into operation somewhat earlier than planned in order to replace obsolete coal power, Palmgren points out. As a matter of fact, the economically most advantageous time to decide on the construction of a nuclear power plant is already a couple of years back.

"An economic comparison of the different production alternatives for the fundamental power is sufficiently clear to show the superiority of nuclear power, although the uncertainty in connection with the price development of coal is considerable," said Palmgren.

12327

CSO: 3617/111

ENERGY CONSUMPTION GREW BY 2.5 PERCENT IN 1983

Helsinki HELSINGIN SANOMAT in Finnish 7 Mar 84 p 30

[Unsigned article: "More Energy Was Needed: Consumption Grew Last Year 2.5 Percent"]

[Text] Last year energy consumption in Finland increased by about 2.5 percent over the previous year. A recent energy survey from the Ministry of Trade and Industry reveals that, all told, an amount of energy equivalent to a good 25 million oil tons was consumed. The previous year energy consumption declined two percent.

A greater and greater portion of the energy demand was covered by electricity. On the other hand, the demand for energy other than electricity decreased slightly. Because last year was milder than the year before, energy consumption in reality increased approximately three percent.

The consumption of electrical energy grew 8.1 percent, while the increase in consumption the year before was only about one percent. In recent years the growth in the consumption of electricity has been on the average five percent a year.

It is estimated that the total consumption of energy will continue to increase during the current year. The estimate is based on outlooks for economic development more optimistic than before. The stabilized and relatively reduced prices of energy may also influence development. For this reason the eagerness for conservation measures may die down.

Finland's energy self-sufficiency was about 31 percent last year. According to the survey in recent years the domestic level has been 31-32 percent. Exceptionally abundant production of water power raised self-sufficiency in 1983 by a good percentage point.

The share of oil in Finland's energy supply has continued to decrease. Last year 36 percent of the total energy was still produced by oil, while the share of oil was 40 percent the previous year.

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MINISTER PREDICTS NEED FOR NEW LARGE POWER PLANT BY 1990'S

Helsinki HELSINGIN SANOMAT in Finnish 7 Mar 84 p 30

[Unsigned article: "Large Power Plant May Be Needed by Mid-1990's; Ministry's Estimates Allow Couple of Years"]

[Text] According to current views Finland should get a new large power plant by the middle of the next decade at the earliest, says Minister of Trade and Industry Seppo Lindblom (Social Democratic Party), relying on new electricity consumption forecasts under preparation right now in his ministry.

According to Lindblom, who spoke at a meeting of the Press-Oil Club in Helsinki, the decision on the construction of a new large power plant does not have to be made in the very near future; there are a couple of years for further analysis and sharing of information.

According to the estimates which are being prepared in the Ministry of Trade and Industry, the need for electricity is not growing quite as rapidly as was forecast in the general plan for electricity supply approved by the government last autumn.

The ministry's new forecast is based on yearly economic growth of 1.5-2.5 percent. The larger alternative would presuppose that the new large power plant starts up by the middle of the next decade.

According to Minister Lindblom a political conflict is developing between energy policy and social policy, a conflict which derives from different growth forecasts. According to Lindblom we should strive to see to it that the energy-policy picture of the future and the social-policy picture of the future complement each other.

According to Lindblom slow economic growth also leads to a situation in which, after the decision on the next large power plant, we find ourselves ordering new 500-megawatt power plants every second or third year.

Commitment to one energy alternative is not the correct solution in Finland, according to Lindblom, but rather all the alternatives should be kept at our disposal.

Nuclear Law to Parliament as Early as Autumn

According to Lindblom the plan is to get the bill for the new nuclear-energy law--a bill which is requiring a surprisingly large amount of preparation times--on the table of Parliament as early as next autumn. This bill should already be in the hands of the legislators, according to the original timetable. The four-person ministry team preparing the bill may get its work finished as early as in the spring.

The new law contains a proposal for the Parliament's standpoint of principle in favor of, or in opposition to, power-plant construction. According to current outlines the parliamentary representatives will find themselves considering whether the construction of a nuclear power plant "is in the best interests of society."

The new law is also linked to problems in construction-site determination. While enacting the law, Parliament will find itself deciding whether the local administrations are to retain their traditional monopoly on planning. "My own standpoint is that democracy is more important than energy," said Lindblom.

According to up-to-the-minute outlines, the law would contain regulations for the nuclear power companies' internal system of reserves for, among other things, the expenses of shutting down. The ministry would determine the magnitude of the reserves yearly.

In Minister Lindblom's estimate energy taxation will not change at all in the future. So many conflicting interests are linked to the political decision-making so that it is politically impossible to bring about reforms.

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